

Transportation Information Update*

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Editor: Joseph Monteiro*

April 2023, 224

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Canada Cargo's First Flight to Liege Touches Down

Air Canada Cargo on March 30, 2023 announced the start of operations for its Boeing 767 freighter to Liege, Belgium, connecting a key European destination to Toronto and the carrier's extensive global network. Flights will operate twice per week to Liege, with service increasing to three flights per week later in the year. Service will originate in Toronto and have a stop in Halifax. "We are pleased to begin operating our freighters to Liege, a further strengthening of the Air Canada Cargo network as we continue to expand and provide customers with reliable, year-round service. This is another important connection from a key European market with Air Canada and Air Canada Cargo's global network through its Toronto hub," said Matthieu Casey, Managing Director, Commercial at Air Canada Cargo.

2. Porter adds flights to its new Ottawa-Charlottetown route

Porter Airlines is adding flight frequency on its new Ottawa-Charlottetown route in response to high demand for its service and to provide more opportunity for passengers to travel across Porter's expanding network. Service begins on May 17, 2023 as announced earlier this year. The increased schedule moves the initial seven weekly round trip flights to 11 times weekly during the spring and fall. This further improves to 14 flights per week during the peak summer travel season.

3. Air France-KLM and CMA CGM officially launch their long-term strategic air cargo partnership

Air France-KLM and the CMA CGM Group announced on April 3, 2023 the effective launch of the long-term strategic air cargo partnership they made public in May 2022. This partnership will have an initial duration of 10 years and will see Air France-KLM Martinair Cargo, part of Air France-KLM Group, and CMA CGM Air Cargo, part of the CMA CGM Group, combine their complementary cargo networks, full freighter capacity and dedicated services to build an even more compelling offering thanks to their unrivalled knowhow and global footprint. This agreement has received all the mandatory regulatory approvals from the competent authorities. The highlights are: 1. A commercial joint-venture that combines both groups' complementary air cargo offerings with extended freighter capacity, a broader network of destinations and tailor-made solutions. 2. A compelling offering for customers, delivered via an unrivalled distribution network as well as a digital one-stop shop accessible 24/7. 3. A shared ambition to invest in and shape the future of air cargo with game-changing solutions.

4. SATS completes acquisition of Worldwide Flight Services

SATS Ltd. ("SATS") on April 3, 2023 announced it has completed its acquisition of global air cargo logistics provider Worldwide Flight Services ("WFS") for €1.3 billion (equivalent to approximately S\$1.8 billion) from an affiliate of Cerberus Capital Management ("Cerberus"), representing an enterprise value of €2,250 million as previously announced. The acquisition received an overwhelming support of 96.8% approval from SATS' voting

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shareholders in January 2023 and obtained regulatory approvals in all relevant jurisdictions in February 2023. With effect from completion, WFS becomes a fully owned subsidiary of SATS, which is headquartered in Singapore. WFS will continue to be headquartered in Paris and operate as Worldwide Flight Services. Craig Smyth, CEO of WFS, will continue to run the company and report to Kerry Mok, President & Chief Executive Officer of SATS, and an advisory board.

5. Court Decision to Halt Schiphol Airport Flight Cuts is ‘Reprieve’ for Passengers, Airlines, and the Dutch Economy

The International Air Transport Association (IATA) reacted positively to the decision by the Dutch court to uphold the legal challenges lodged by IATA, KLM and other airlines against the Dutch government’s ‘experimental regulation’ to cut Schiphol airport’s flight limit to 460,000 from November 2023. IATA Director General Willie Walsh said: “We welcome the judge’s decision. This case has been about upholding the law and international obligations. The judge has understood that the Dutch government violated its obligations in shortcutting processes that would bring scrutiny to its desire to cut flight numbers at Schiphol. This decision gives vital stability for this year to the airlines using Schiphol airport and maintains the choice and connectivity passengers’ value. Winning this vital reprieve is good news for Schiphol’s passengers, Dutch businesses, the Dutch economy and airlines. But the job is not done. The threat of flight cuts at Schiphol remains very real and is still the stated policy of the government. Schiphol airport themselves yesterday announced night flight cuts without consultation. Airlines understand the importance of resolving issues such as noise. The Balanced Approach is the correct, EU and global legally-enshrined process for managing noise impacts. It has helped airports around the world successfully address this issue.”

6. Lufthansa Cargo adds new destinations to its short- and medium-haul network

Starting in April 2023, Lufthansa Cargo is adding new destinations to its European route network and thus successively expanding it further. The new freighter destinations include Larnaca (Cyprus), Athens and Milan. In total, Lufthansa Cargo will serve twelve destinations in the intra-European short- and medium-haul network on more than 50 weekly flights with Airbus A321 freighters. As of April 12, Lufthansa Cargo’s summer flight schedule will be expanded to include two weekly connections to Larnaca on Cyprus in a combined routing with the Greek capital Athens, offering customers a fast connection for their cargo on a direct route to the hub in Frankfurt with onward transportation to destinations worldwide. In addition, a weekly connection to Milan complements the service and in this way links the economically strong region of Lombardy in northern Italy with Central Europe and the rest of the world.

7. Expanded Canada-United Arab Emirates air transport agreement to allow more flights between both countries

On April 5, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced the conclusion of an expanded air transport agreement between Canada and the United Arab Emirates (UAE), which is Canada’s largest air transport market in the Middle East. The expanded agreement allows 21 flights per week for each country. This will permit 50 per cent more flights than the maximum number previously possible, facilitate new routes, and give airlines greater flexibility to accommodate changes in market demand. This significant move will better accommodate the growing Canada-UAE air transport market, improve Canada’s global connectivity, and support tourism and trade activity between the two countries.

2023, www.aircanada.ca

19. IATA Disappointed with Canada’s 2023 Federal Budget, April 14, 2023, www.iata.org

20. Committee’s air passenger rights report calls for major reforms, praised as ‘very strong’ by advocate, April 19, 2023, www.nationalpost.ca

21. WestJet Group statement regarding ALPA strike authorization vote, April 18, 2023, www.westjet.ca

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26. The Canadian Transportation Agency issues administrative monetary penalty to Flair, April 20, 2023, www.otc-cta.gc.ca

27. Air Canada Marks Earth Day with Purchase of 9.5 Million Litres of Sustainable Aviation Fuel, April, 21, 2023, www.aircanada.ca

28. WestJet Cargo and the GTA Group celebration tour continues with second inauguration of dedicated freighter in, April 21, 2023, www.westjet.ca

29. Liberals table legislation to overhaul passenger rights charter, April 21, 2023, www.cbc.ca

30. Changes to passenger bill of rights will raise prices for travellers, airlines argue, April 24, 2023, www.nationalpost.ca

31. Government of Canada and Canadian North agree on new terms and conditions of airline merger, April 21, 2023, www.tc.gc.ca

32. Air Cargo Priorities: Sustainability, Digitalization & Safety, April 25, 2023, www.iata.org

33. Minister of Transport presents proposed amendments to the *Canada Transportation Act* to strengthen air passenger rights and simplify the complaint resolution process, April 24, 2023, www.tc.gc.ca

34. WestJet Cargo and the GTA Group’s celebration tour concludes with third inauguration of dedicated freighter in Vancouver, April 25, 2023, www.westjet.ca

35. Air Travel Consumer Report: February 2023 Numbers, April 27, 2023, www.bts.gov

8. U.S. Airlines' February 2023 Fuel Cost per Gallon Down 1.7% from January 2022; Aviation Fuel Consumption Up 1.3% from Pre-Pandemic February 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on April 5, 2023 released U.S. airlines' February 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.307 billion gallons of fuel, 7.5% less fuel than in January 2023 (1.413 billion gallons) and 1.3% more than in pre-pandemic February 2019. The cost per gallon of fuel in February 2023 (\$3.23) was down 5 cents (1.7%) from January 2023 (\$3.28) and up \$1.25 (63.1%) from February 2019. Total February 2023 fuel expenditure (\$4.22B) was down 9.0% from January 2023 (\$4.63B) and up 64.6% from pre-pandemic February 2019. Fuel cost and consumption statistics are not adjusted for inflation or seasonality. Year-over-year increases in fuel consumption and cost for February 2023 include 10.6% in domestic fuel consumption, 38.9% in domestic fuel cost, and 25.6% in cost per gallon. Domestic fuel consumption decreased 6.7% from January 2023 to February 2023, while increasing 3.7% from February 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

9. Air cargo demand and pricing stabilizing

Preliminary figures for March 2023 indicate that global air cargo demand and pricing may be starting to stabilize, with average rates holding firm at around 50 percent above pre-Covid levels. Year-on-year (YoY) tonnages fell eight percent in March 2023 – compared with double-digit percentage declines in the final quarter (Q4) of 2022 and in early 2023, according to WorldACD Market Data. Initial WorldACD figures indicate that Q1 2023 is looking at a 11 percent YoY drop in tonnages, compared with 13 percent for Q4 2022, with March's eight percent YoY decline pointing towards a deceleration of the recent pattern of YoY volume decline. Despite softening in the last 12 months from the exceptionally high demand and pricing levels the previous year, the international air cargo market remains relatively strong in historical terms, with early 2023 worldwide revenues still the third-highest achieved in the last 15 years, figures and analysis from WorldACD reveal.

10. As runway near-misses surge, radar that keeps planes apart is aging and unreliable

A crucial safety system that's relied on to avoid potentially fatal collisions at major US airports is aging and plagued by outages that have left travelers unprotected for months at a time. At some airports, it hasn't ever been installed. The technology — which tracks vehicles on or near runways to alert controllers before impending crashes — often uses decades-old radar equipment for which spare parts are difficult to find, according to government data and the president of the union representing air-traffic controllers. Keeping track of ground traffic at airports is particularly important at a time when runway-safety incidents appear to be surging. This year, there have been at least eight incidents involving airliners that aviation regulators ranked as severe, or that prompted probes by US accident investigators. That's almost double the average for each full year since 2018. While none of those near collisions have been directly linked to an outage of Airport Surface Detection Equipment-Model X, or ASDE-X, gaps in service can leave the aviation system vulnerable. With no clear alternative available, advocates are pushing to add the system — which is highly effective when it's functioning well — to more landing strips after some of the most serious incidents happened at airports without the technology. "They are the last line of defense in preventing a massive collision between two airliners," said Jeff Guzzetti, former head of accident investigations at the Federal Aviation Administration. "I'm shocked that it hasn't been put in more airports."

11. U.S. Transportation Sector Unemployment Rate of 5.0% in March 2023 Was Below the March 2022 Level of 5.1% And Was Below the March 2020 Level of 5.4%

The unemployment rate in the U.S. transportation sector was 5.0% (not seasonally adjusted) in March 2023 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) [Unemployment in Transportation](#) dashboard. The March 2023 rate fell 0.1 percentage points from 5.1% in March 2022 and was below the March 2020 level of 5.4%. 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 March 2023 was 3.6% or 1.4 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in March 2023 was 3.5%.

12. Air Canada and Amadeus Expand Strategic Partnership

As New Distribution Capability (NDC) technology continues to create new retailing opportunities for airlines around the world, Air Canada and Amadeus have expanded their long-standing partnership. Air Canada will enable access to its full range of NDC-sourced content through the Amadeus Travel Platform by leveraging Altéa NDC, Amadeus' IT solution that enables airlines to provide enhanced travel retail experiences by distributing personalized and tailored offers. Additionally, the airline's traditionally sourced content (EDIFACT) will be available worldwide to travel sellers and corporations that utilize the Amadeus Travel Platform. "Amadeus and Air Canada have a long-standing history of partnering to improve the travel experience and empower travel sellers. We're proud to take this significant next step by offering our NDC content for the first time through a GDS. Now Agencies and Travel Buyers will have access to our

most complete range of content and be well-equipped for the introduction of new products and capabilities,” said Mark Nasr, Senior Vice President, Products, Marketing & eCommerce at Air Canada. “For buyers and travellers, this means their preferred agency, whether a local independent or large travel management provider, will be able to offer a broader range of rich Air Canada content, travel options and services via the Amadeus Travel Platform at the most competitive prices.”

13. Air cargo portals automate cross-border booking amid neutrality concerns

Digital marketplaces for air cargo have added new features making it possible for logistics companies managing imports to instantly book export shipments from agents in another country without the hassle and time-zone delays of shopping quotes by phone and email. It’s another level of connectivity for online booking portals that enable freight forwarders to search, compare and book cargo space across multiple airlines in real time. The simplified booking process is valued by logistics professionals, but some worry they could lose business if multilateral distribution channels open their systems to nonaccredited intermediaries or directly to cargo owners themselves. Cargo.one on April 12, 2023 announced an upgrade designed to streamline freight forwarders’ overseas bookings that require a partner to execute. WebCargo, a Freightos company, last week said that airfreight wholesalers in China for the first time can now sell space to freight agents just like 33 airline partners.

14. WestJet provides state of the airline address, update on progress against growth plan

WestJet on April 12, 2023 provided a comprehensive update on the progress it is making against its new strategic direction, which was introduced in June 2022 and is focused on building a strong, resilient low-cost airline that has a clear runway for growth. WestJet Group Chief Executive Officer Alexis von Hoensbroech provided the update as part of a State of the Airline address to the Calgary Chamber of Commerce. In his remarks, von Hoensbroech summarized WestJet's progress against its growth plan in three key areas: (1) returning WestJet to its roots as Western Canada's home carrier, (2) growing its leisure and sun destination offering across all of Canada and connecting Canadians with domestic service from coast-to-coast and (3) providing affordable fares as a low-cost carrier (LCC).

15. Marhaba! Air Canada to Launch New Vancouver-Dubai Service

Air Canada announced on April 13, 2023 the strategic expansion of its international network with the addition of new, non-stop flights from its hub at Vancouver International Airport (YVR) to Dubai. The new route will operate four times weekly beginning Oct. 28, 2023 onboard Air Canada's flagship Dreamliner fleet. The carrier's new Vancouver-Dubai flights will complement Air Canada's daily service between Toronto and Dubai, broadening its presence in fast-growing international markets. "We are extremely pleased to add the only non-stop service linking Vancouver and Dubai, two iconic and vibrant global destinations... Adding this new transportation link from Dubai will allow visitors to more easily and efficiently experience all B.C. has to offer," said Rob Fleming, British Columbia Minister of Transportation and Infrastructure. "From the vibrancy of our globally recognized cities to the splendor of Super Natural British Columbia, Air Canada's new service brings added global connections, that will directly benefit people throughout our province."

16. January 2023 U.S. Airline Traffic Data

U.S. airlines carried 67.1 million systemwide (domestic and international) scheduled service passengers in January 2023 according to the Bureau of Transportation Statistics’ (BTS). When adjusted for seasonality, January 2023 enplanements are up 4.0% from December 2022 and down 3.7% from the all-time high in January 2020. BTS reported 58.1 million domestic passengers and 9.0 million international passengers on U.S. airlines flights in January 2023, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables on the BTS website for summary data since 2016 and complete data since 2000.

17. Halifax airport sees cargo recovery

Halifax Stanfield International Airport had its second-best year ever for cargo in 2022, surpassing 2018 levels for the first time. The airport processed 36,979 tonnes of cargo, up 6.4 percent from 2021 and 12.1 percent from 2020. The value of products exported from the airport in 2022 was \$540 million, up 8.9 percent from 2021 and 15.8 percent from 2020. “While our passenger activity has been slower to recover, cargo is showing strong signs of improvement, with 2022 representing one of the best years for cargo activity in the airport’s history,” said Joyce Carter, president and CEO, Halifax International Airport Authority (HIAA).

18. Aeroplan and Parkland Join Together to Launch New Loyalty Partnership

Canada's Aeroplan, Canada's leading travel loyalty program, and Parkland Corporation, the company behind popular Canadian fuel and convenience store brands Chevron, Ultramar, Pioneer, Fas Gas, ON *the* RUN and Marché Express are pleased to announce a new loyalty partnership that will launch in the fall of 2023. "We are thrilled to come together with the Parkland family of brands to offer Aeroplan members a new way to earn and redeem points in their everyday lives," said Mark Nasr, President of Aeroplan. "Our members have long been asking for a fuel partner, and Parkland's extensive reach across Canada, their best-in-class retail experience, and their investments in low carbon fuels and EV charging infrastructure, make them the perfect fit." "Our strategic partnership with Aeroplan unites two great

Canadian loyalty programs and propels Parkland's loyalty and organic growth strategies," said Parkland Canada President, Ian White.

19. IATA Disappointed with Canada's 2023 Federal Budget

The International Air Transport Association (IATA) expressed disappointment at the lack of positive measures to strengthen and enhance Canada's air transport system and global competitiveness in the country's 2023 Federal Budget. "IATA was hopeful that the Federal Budget would include measures to support the recommendations from the House of Commons Standing Committee on Transport, Infrastructure and Communities. Unfortunately that was not the case," wrote Willie Walsh, IATA's Director General, in a letter to Canada's Deputy Prime Minister and Minister of Finance, and to the Minister of Transport. In his [letter](#), Walsh welcomed the proposal to provide C\$1.8 billion over five years to the Canadian Air Transport Security Authority (CATSA) to maintain and increase its level of service, reduce passenger screening wait times and strengthen security measures at airports. "However this has come with a proposed 33% increase in the Air Travellers Security Charge (ATSC). This makes air travel even less affordable for all Canadians," wrote Walsh.

20. Committee's air passenger rights report calls for major reforms, praised as 'very strong' by advocate

A parliamentary committee has recommended sweeping changes to Canada's air passenger rights framework, including tougher enforcement and compensation rules around flight delays. Tabled on April 18, 2023, the report comes after chaotic travel seasons over the summer and winter holidays brought on by soaring demand, labour shortages and poor weather. Its 21 recommendations include bigger monetary penalties for airlines, smoother processing of compensation claims and automatic payout offers for customers after significant flight disruptions or denial of boarding.

21. WestJet Group statement regarding ALPA strike authorization vote

The WestJet Group on April 18, 2023 issued the following statement regarding the Airline Pilots Association (ALPA) announcement of the results of the strike authorization vote to WestJet pilots. "A strike authorization vote is a common step by unions in context of the overall labour negotiation process and does not mean a strike will occur," said Diederik Pen, WestJet Group Chief Operating Officer. "We remain unwaveringly committed to achieving an agreement that is competitive within Canada's airline industry and ensures we have a long-term sustainable future so that we can continue to operate critical air service for millions of Canadians, while providing jobs for thousands at the WestJet Group."

22. United announces largest South Pacific expansion in aviation history, including new direct flight to Christchurch, New Zealand

United Airlines on April 18, 2023 announces the largest South Pacific network expansion ever to and from the continental U.S., including the first non-stop flight between San Francisco and Christchurch set to commence on December 1, 2023. United will be the only carrier to directly connect the U.S. and the South Island of New Zealand. With 66 flights between the US and Australia/New Zealand every week, United will operate nearly 40% more flights from the U.S. to Australia and New Zealand next northern winter versus last year. The carrier is adding new direct flights from Los Angeles to Brisbane and Auckland and increasing service to the region from its San Francisco hub with daily flights to Brisbane, twice daily flights to Sydney and flying larger aircraft to Melbourne. And thanks to United's relationships with Air New Zealand and Virgin Australia, travelers can enjoy easy one-stop connections from these cities to more than 50 destinations in the region.

23. 2022 Annual Average Domestic Air Fares Increases from 2021

The 2022 annual average domestic itinerary air fare of \$378 increased 14.1% from the 2021 inflation-adjusted annual fare of \$332. The 2022 annual fare was down 6.2% from 2019, the last full pre-pandemic calendar year (\$403). In 2022, 317.9 million originating passengers traveled on U.S. airlines, up from 243.8 million in 2021 and 130.8 million in 2020, and down from 331.3 million in 2019.

23. Minister of Transport announces study on airport capacity needs in Southern Ontario

On April 18, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced that Transport Canada has issued a Request for Proposals to hire an aviation professional services contractor to help the department analyze current and future airport supply and demand in Southern Ontario. The contractor will assist Transport Canada officials in scoping the requirements for a comprehensive study of airport capacity in Southern Ontario, as well as a formal consultation process. Following the scoping of work for the study, Transport Canada will post a second Request for Proposals to engage a third-party contractor to undertake the study as well as the consultation.

24. Air Canada Cargo's First Freighter Flight to Basel Touches Down

Air Canada and Air Canada Cargo mark the start of freighter operations to Basel, Switzerland, connecting one of Europe's premiere pharmaceutical hubs to the carrier's extensive network through its Toronto global hub. The flights will operate twice per week using Air Canada Cargo's Boeing 767 freighters. "We are excited to be returning to Basel, this time with our freighters, to serve a key market in Europe for pharmaceuticals. The capability of our freighters, combined with our temperature-controlled containers and cool chain facility at our Toronto global hub position us to serve this critical market with reliable, year-round service, and ensure these important shipments can move safely and in

a timely manner throughout our global network,” said Matthieu Casey, Managing Director, Commercial at Air Canada Cargo. Air Canada Cargo’s Basel service is the latest addition to its worldwide freighter network, following recently launched freighter services to Liege, Belgium; Dallas, Atlanta and Bogota.

25. WestJet Cargo and the GTA Group celebrate inauguration of dedicated freighter in Toronto

WestJet Cargo and the GTA Group on April 20, 2023 celebrated the inauguration of the first of three 737-800 Boeing Converted Freighters in Toronto alongside integral business partners and key stakeholders. The event was commemorated by a ribbon cutting at WestJet's Toronto hangar, signifying the launch of WestJet Cargo and the GTA Group's dedicated freighter service that will fulfill the large-scale needs of businesses, freight forwarders, shippers and individual customers across North America. WestJet Cargo and the GTA Group's Toronto celebration is the first of three inaugural events, taking place across Canada, with events in Halifax and Vancouver, to follow, respectively. "We are thrilled to be celebrating this long-awaited milestone in Toronto, a core hub for WestJet Cargo and home of the GTA Group," said Kirsten de Bruijn, WestJet Executive Vice-President, Cargo. "As Canada's largest global hub, Toronto is a vital destination for our dedicated freighter operation that will enable WestJet Cargo to plug into a vast network of cargo entering the country and allow us to seamlessly execute the distribution of this cargo to its final destination across Canada."

26. The Canadian Transportation Agency issues administrative monetary penalty to Flair

On April 20, 2023, the Canadian Transportation Agency (CTA) has issued an administrative monetary penalty (AMP) of \$82,500 against Flair. In October 2022, Flair Airlines Ltd. damaged an electric wheelchair during transport. The airline failed to immediately provide the passenger with a suitable temporary replacement at the person’s destination, and failed to arrange for the prompt and adequate repair of the wheelchair, thereby contravening subsections 155(1) and (2) of the Air Transportation Regulations.

27. Air Canada Marks Earth Day with Purchase of 9.5 Million Litres of Sustainable Aviation Fuel

Air Canada marks Earth Day by announcing the purchase of 9.5 million litres of Sustainable Aviation Fuel (SAF). The airline continues advancing initiatives in its Climate Action Plan by strengthening its partnership with SAF producer, Neste, to power flights with Neste MY Sustainable Aviation Fuel™ from San Francisco International Airport. The 9.5 million litres of SAF will generate GHG reductions of approximately 23,500 tonnes of CO₂e calculated based on a full lifecycle assessment. The 23,500 tonnes of CO₂e are equivalent to the annual GHG emissions absorbed by 28,000 acres of forest as per the U.S. Environmental Protection Agency equivalencies calculator.

28. WestJet Cargo and the GTA Group celebration tour continues with second inauguration of dedicated freighter in

WestJet Cargo and the GTA Group on April 21, 2023 celebrated the inauguration of the second of three 737-800 Boeing Converted Freighters in Halifax alongside integral partners and key stakeholders. The event was commemorated by a ribbon cutting, signifying the launch of WestJet Cargo and the GTA Group's dedicated freighter service in one of the carriers six hubs, that will fulfill the large-scale needs of businesses, freight forwarders, shippers and individual customers across North America. WestJet Cargo and the GTA Group's Halifax celebration is the second of three inaugural events, taking place across Canada.

29. Liberals table legislation to overhaul passenger rights charter

On April 21, 2023, as part of a broader budget bill, a bill was tabled in the House of Commons to tighten passenger air rights. The new provisions ratchet up penalties on airlines, shore up the complaint process and target luggage and flight disruption loopholes that have allowed airlines to avoid customer compensation. The Liberals have put forward legislation that aims to make good on their pledge to tighten passenger rights rules after a year marked by travel chaos and a ballooning complaints backlog. The new provisions ratchet up penalties on airlines, shore up the complaint process and target luggage and flight disruption loopholes that have allowed airlines to avoid compensating customers. The proposed \$250,000 maximum fine for airline violations — a tenfold increase over the existing regulations — encourages compliance, said Sylvie De Bellefeuille, a lawyer with the advocacy group Option consommateurs. So does an amendment placing the regulatory cost of complaints on carriers' shoulders, she said. In theory, the measure gives carriers an incentive to brush up their service and thus reduce the number of grievances against them. The new legislation further demands that airlines institute a process to deal with claims and respond to complaints with a decision within 30 days. The establishment of "complaint resolution officers" at the Canadian Transportation Agency (CTA) should also expedite the process, De Bellefeuille said. She also applauded the closure of a loophole that has allowed airlines to avoid compensating passengers for delayed luggage, though not for lost luggage.

30. Changes to passenger bill of rights will raise prices for travellers, airlines argue

On April 25, 2023, the Transport Minister Omar Alghabra introduced changes to the government’s passenger bill of rights. The changes are contained in the government’s budget legislation and should be in force by the fall. Alghabra said he felt the airlines forced his government to bring in tougher rules after last year’s performance -- a disastrous 2022 season in the skies -- with delays, cancellations and stranded travellers across the country. “I really think airlines left

government no choice, after what we saw, to further clarify the rules and make sure that passenger rights are protected,” he said. Under the current system, air travellers who face delays and cancellations for problems in the airline’s control are eligible for refunds and compensation. In cases like snowstorms, where the problem is outside of their control, passengers are eligible for refunds, but not compensation. Changes to the airline passenger bill of rights require airlines to pay part of the cost of processing complaints at the Canadian Transportation Agency. Transport Minister Omar Alghabra said that will make them more likely to settle. Canada’s airlines say travellers will ultimately pay the price of new passenger protection bills and the burden for keeping people moving shouldn’t rest solely with them.

31. Government of Canada and Canadian North agree on new terms and conditions of airline merger

In 2019, the Government of Canada approved the merger of First Air and Canadian North, subject to several terms and conditions meant to protect the public interest. Since then, the air transportation landscape has changed dramatically due to the sudden onset of the COVID-19 pandemic. This has had a lasting impact on Canadian North’s ability to comply with the existing conditions, while also providing service to northern communities. During the pandemic, Canadian North was exempted from its scheduling obligations, and received \$138 million in direct funding from the Government of Canada. The Minister of Transport, the Honourable Omar Alghabra, on April 21, 2023 announced that the Government of Canada and Canadian North have agreed on new terms and conditions that will allow Canadian North to remain financially viable and sustainable, while continuing to provide required levels of service to rural and remote communities in Northern Canada. The Government of Canada and Canadian North have agreed on a profit cap, which will allow them to adjust fares and routes to remain viable without cutting off communities or placing a significant financial burden on northern travellers.

32. Air Cargo Priorities: Sustainability, Digitalization & Safety

The International Air Transport Association (IATA) highlighted three priorities to enable the air cargo industry to maintain momentum against the backdrop of a challenging operating environment. The priorities, outlined at the 16th World Cargo Symposium (WCS), which opened in Istanbul on April 25, 2023 are: 1. Sustainability; 2. Digitalization; and 3. Safety. “Air cargo is a different industry than the one that entered the pandemic. Revenues are greater than they were pre-pandemic. Yields are higher. The world learned how critical supply chains are. And the contribution of air cargo to the bottom line of airlines is more evident than ever. Yet, we are still linked to the business cycle and global events. So, the war in Ukraine, uncertainty over where critical economic factors like interest rates, exchange rates and jobs growth are concerns that are real to the industry today. As we navigate the current situation, air cargo’s priorities have not changed, we need to continue to focus on sustainability, digitalization, and safety,” said Brendan Sullivan, IATA’s Global Head of Cargo.

33. Minister of Transport presents proposed amendments to the *Canada Transportation Act* to strengthen air passenger rights and simplify the complaint resolution process

On April 24, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced that proposed amendments to the *Canada Transportation Act* have been introduced as part of Bill C-47, the *Budget Implementation Act*. These proposed amendments would strengthen Canada’s passenger rights regime, streamline the processes for administering air travel complaints before the Canadian Transportation Agency (Agency), and increase air carriers’ accountability. In 2019, for the first time in Canadian history, an air passenger rights regime, called the *Air Passenger Protection Regulations* (APPR) was implemented. The regulations clarified minimum requirements and compensation. During the pandemic, the government strengthened these rights to include refunds for cancellations and long delays in situations outside the airline’s control, including major weather events or a pandemic. These new proposed amendments to the *Canada Transportation Act* would, among other things, allow the Agency to modify its regulations to: 1. make compensation mandatory for all disruptions, unless the disruption was caused by very limited circumstances that would be specifically defined by regulations; 2. remove exemptions to air carriers’ compensation obligations based on broad categories of disruptions (e.g., disruptions outside/within the control of airlines or required for safety); 3. make standards of treatment, such as the provision of food and water, mandatory for all flight disruptions; and 4. establish requirements for delayed baggage and prescribe parameters around refund requirements as a result of a travel advisory issued by the Government. The amendments would also: a. replace the current process for resolving air travel complaints, which includes an adjudication process by Governor in Council-appointed members, with a more simplified process conducted primarily by Agency staff to ensure travellers get quicker decisions; b. impose a greater burden of proof on air carriers where it is presumed that compensation is payable to a complainant, unless the air carrier proves the contrary; c. require air carriers to establish an internal process for dealing with air travel claims; d. broaden the authority of the Agency to set fees and charges to recover its costs; and e. enhance the Agency’s enforcement powers with respect to the air transportation sector by allowing the Agency to increase the maximum amount of Administrative Monetary Penalties applicable to the APPR for corporations and by providing the Agency with the authority to enter into compliance agreements with air carriers.

34. WestJet Cargo and the GTA Group's celebration tour concludes with third inauguration of dedicated freighter in Vancouver

WestJet Cargo and the GTA Group on April 25, 2023 celebrated the third inauguration of its 737-800 Boeing Converted Freighters in Vancouver alongside integral partners and key stakeholders. The event was commemorated by a ribbon cutting, signifying the launch of WestJet Cargo and the GTA Group's dedicated freighter service in one of the carriers five hubs, that will fulfill the large-scale needs of businesses, freight forwarders, shippers and individual customers across North America. WestJet Cargo and the GTA Group's Vancouver celebration is the last of three inaugural events, that took place across Canada.

35. Air Travel Consumer Report: February 2023 Numbers

The U.S. Department of Transportation on April 27, 2023 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of February 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. The ATCR is designed to assist consumers with information on the quality of services provided by airlines. DOT remains committed to ensuring airline passengers are treated fairly and flights operate as scheduled. For the first two months of 2023, cancellations have stayed below 2% and are far lower than last year's 2.7% cancellation rate. In February 2023, reporting marketing carriers handled 34.3 million bags and posted a mishandled baggage rate of 0.61%, lower than the rate of January 2023 0.73% and higher than the rate to February 2022 rate of 0.60%. In February 2023, airlines reported 12 tarmac delays of more than three hours on domestic flights, compared to 18 tarmac delays reported in January 2023.

WATER TRANSPORTATION

1. New guidelines published for safe transport of lithium-ion batteries

A group of transport industry bodies have produced guidelines for the safe transport of lithium-ion batteries in containers. The guidelines are the first in a series of in-depth advisory publications aimed at minimizing the risks of transporting lithium-ion batteries and cells launched amid heightened concern over container fires. "As the pressure on all forms of economic activity for decarbonization increases, the use of these batteries will inevitably escalate at rates we have previously not experienced. Air transport has been heavily restricted already and it is clear that surface modes will be called upon to transport these goods," said Peregrine Storrs-Fox, risk management director at freight transport insurer TT Club, which was part of the group producing the guidelines.

2. UN maritime agency raises concerns about shadow oil tanker fleet

A United Nations agency that oversees shipping raised concerns about the shadow fleet of tankers that has emerged to transport oil amid sanctions, calling for more steps to boost safety. States that become aware of ships going dark — or turning off their transponders — should be subject to more inspections, according to the legal committee of the International Maritime Organization. The panel also took issue with the practice of ship-to-ship transfers of oil on the open ocean, saying that it heightens the risk of pollution for coastal states. Countries including Spain, Australia, the U.S. and Canada are part of a push at the IMO to increase oversight of the murky activities in oil trading that have emerged within the last year. Russia's invasion of Ukraine — and subsequent sanctions by Western governments — upended shipping routes for the world's most traded commodity. Spain, which has witnessed a surge in the activity off its north African enclave of Ceuta, said it plans to call for stronger rules governing ship-to-ship transfers of oil at the IMO's assembly meeting later this year. The topic is especially sensitive for the country because it suffered one of the worst oil spills in European history when a tanker called the Prestige split in half, leaking almost all its cargo of heavy fuel oil into the sea off the country's coast.

3. Detroit-Windsor truck ferry in danger of imminent closure

The Detroit-Windsor Truck Ferry, a mainstay since Earth Day 1990, hauling

WATER TRANSPORTATION Canada

1. New guidelines published for safe transport of lithium-ion batteries, March 30, 2023, www.insidelogistics.ca
2. UN maritime agency raises concerns about shadow oil tanker fleet, April 3, 2023, www.aot.com
3. Detroit-Windsor truck ferry in danger of imminent closure, April 3, 2023, www.todaysgetrucking.com
4. BCTA says ferry rate stability key as commission eyes 9.2% hike, April 5, 2023, www.todaysrucking.ca
5. Shipping industry professionals anticipate market improvements already in Q2 2023, April 6, 2023, www.ajot.com
6. LA-LB outlook darkens as labor unrest briefly shuts ports, April 9, 2023, www.freightwaves.com
7. Ocean rates hitting pre-pandemic levels, April 7, 2023, www.insidelogistics.com
8. China ports container volume rises 1.3% from January to February of 2023, April 10, 2023, www.ajot.com
9. Liner industry expect rates to climb through 2023, April 10, 2023, www.insidelogistics.ca
10. LA, Long Beach port and terminals reopen as dockworkers return, April 10, 2023, www.ajot.com
11. Steady container export growth for Port Houston, April 17, 2023, www.ajot.com
12. Port of Long Beach reports 30% plunge in Q1 container volumes, April 20, 2023, www.seatrade-maritime.com
13. Nearly 2,500 pieces of military cargo, including nearly 100 aircraft, move through JAXPORT, April 19, 2023, www.ajot.com
14. Drewry World Container Index - 20 Apr, April 20, 2023, www.ajot.com
15. Roberts Bank Terminal 2 receives approval

hazmat and oversize loads between Windsor and Detroit, could close in the next few months without government funding. Ferry operator Gregg Ward, an American, said traffic has taken a plunge since 2019, a factor he's hard pressed to account for. The ferry closed for just the first two months during Covid-19 lockdowns and the pandemic hasn't really played a role in reduced traffic. "It's just been a general decline," he said, adding "if trucks are following the law" there's "no logical reason" for the drop in traffic. The ferry exists because hazmat and oversize loads are banned from the Ambassador Bridge. They will be allowed on the new Gordie Howe International Bridge, due to open in late 2024. Anecdotally, there have been reports that some trucks try to cross the Ambassador despite the hazmat restrictions.

4. BCTA says ferry rate stability key as commission eyes 9.2% hike

The B.C. Trucking Association (BCTA) said while it recognizes the inflationary challenges we are all faced with, B.C. Ferries' rate stability and transparency is critical to support the efficient movement of goods. Last week, the British Columbia Ferry Commission announced its preliminary decision on the price cap, which if finalized, would allow average ferry fares to increase by a maximum of 9.2% annually from April 1, 2024, to March 31, 2028. A final decision – which will take into account recently announced additional provincial funding of \$500 million – will be confirmed on Sept. 30.

5. Shipping industry professionals anticipate market improvements already in Q2 2023

The supply chain industry is hopeful of a better peak season this year and expects freight demand recovery in the Q2 of 2023, according to the recently published monthly container market forecaster for April by the online logistics platform, Container xChange. The container price sentiment index (xCPSI), a sentiment analysis tool by Container xChange that concurrently surveys supply chain professionals on their short-term price expectations, continued to show negative readings until mid-March. But the results consistently turned positive, reaching an all-time high at the beginning of April 2023, when the index started showing confidence building for the coming quarter. While the industry sentiment is gradually turning positive, there have been many headwinds in the shipping sector in Q1. "The global container logistic ecosystem is like a spider's web. One disruption does not linearly impact the knot. Instead, every disruption reverberates across the web—sometimes in unexpected directions. The increase in FED rates, the banking sector crisis, the strikes might seem concentrated in one region, but they have their impact across all trade lanes ." shared Christian Roeloffs, cofounder and CEO, of Container xChange as he commented upon the current state of the container shipping industry.

6. LA-LB outlook darkens as labor unrest briefly shuts ports

The Port of Los Angeles' sales pitch to importers in recent months has been: We have plenty of capacity now. No more ship queues. The port labor contract expired July 1, 2022, but there has been no major disruption to imports during negotiations on the new contract. No need to ship your goods all the way through the Panama Canal to the East or Gulf coasts. Come back to LA! That sales pitch, to the extent it ever worked, died on Friday, April 7, 2023. Terminal operations at the ports of Los Angeles and Long Beach were closed for April 6, 2023 night shift and April 7 day shift. Work resumed with April 7 night shift. The Pacific Maritime Association (PMA), representing the terminals, said port facilities were closed due to the "concerted action to withhold labor" by the International Longshore and Warehouse Union (ILWU) Local 13. The ILWU Local 13 said members didn't show up April 6 night because they happened to be busy at a monthly membership meeting, where a new president was appointed. It said workers' absence on April 7, 2023 was due to union members spending time with families for the religious holiday.

7. Ocean rates hitting pre-pandemic levels

Container rates from Asia to North American's West Coast dropped to about US\$1,000 per forty-foot unit this week. According to Freightos's weekly analysis, the drop in rates is continuing, and the predicted rebound is not yet on the horizon. Falling rates through March and into April 2023, increases in announced blanked sailings for the coming weeks, and contract negotiations still up in the air given the still-slumping spot market, may signal growing skepticism that any rebound has already begun or will kick in very soon, the company suggested. Freightos reported that Asia-US West Coast prices fell one percent to \$1,006/FEU in the last week of March. This rate is 94 percent lower than the same time last year. Asia-US East Coast prices decreased one percent to \$2,097/FEU, and are 88 percent lower than rates for this week last year. Asia-North Europe prices increased one percent to \$1,344/FEU, and are 89 percent lower than rates for this week last year.

8. China ports container volume rises 1.3% from January to February of 2023

From January to February 2023, the cargo volume of Chinese ports was 2418.8 million tons, a year-on-year increase of 2.6%; the container throughput of Chinese ports was 44.1 million TEU, a year-on-year increase of 1.3%. Data of the

from the Government of Canada, April 20, 2023, www.portvancouver.com

16. Port of Oakland March container volume rises, April 21, 2023, www.ajot.com

17. Singapore, Long Beach, L.A. Ports to establish green, digital shipping corridor with a signed MoU, April 24, 2023, www.ajot.com

18. Port of Vancouver: Accumulated Container Traffic January to March 2023, April 24, 2023, www.portofmetrovancouver.com

19. Port of Prince Rupert: Accumulated Container Traffic January to March 2023, April 24, 2023, www.rupertport.com

20. Port of Montreal: Accumulated Container Traffic January to March 2023, April 24, 2023, www.portofmontreal.com

twelve major ports in China reveal that it increased in nine and fell in three. The port that recorded the largest increase was Beibu Gulf with Rizao second and Dalian third and the port that recorded the largest decline was Shanghai.

9. Liner industry expect rates to climb through 2023

The container shipping industry is hopeful of a better peak season this year and expects freight demand recovery in the Q2 of 2023, according to the recently published monthly container market forecaster for April 2023 by the online logistics platform, Container xChange. The container price sentiment index (xCPSI), a sentiment analysis tool by Container xChange that concurrently surveys supply chain professionals on their short-term price expectations, continued to show negative readings until mid-March. But the results consistently turned positive, reaching an all-time high at the beginning of April 2023, when the index started showing confidence building for the coming quarter. While the industry sentiment is gradually turning positive, there have been many headwinds in the shipping sector in Q1.

10. LA, Long Beach port and terminals reopen as dockworkers return

Normal operations resumed at the Ports of Los Angeles and Long Beach, as dockworkers returned to container terminals for the April 7, 2023 evening shift. “It’s a go,” said Alan McCorkle, chief executive officer of Yusen Terminals LLC at the Port of Los Angeles. “Labor is showing up.” Worker shortages shuttered container terminals on April 6 evening and April 7 morning. The impact of the closures on cargo flow was limited due to low volumes, though one container ship scheduled to go to a berth on April 10, 2023 was delayed and loitering offshore, according to Kip Louttit, executive director at the Marine Exchange of Southern California, which monitors traffic at the two West Coast ports. Earlier, Louttit advised ocean carriers to work with destination terminals “to determine if your ship has a reasonable expectation to go to a berth in the next three days.”

11. Steady container export growth for Port Houston

Activity across Port Houston’s docks remains steady through March 2023 with total tonnage through the eight public terminals up 4% year to date, reaching 12,850,330 short tons. Amidst a nationwide softening of imports, in March 2023, Port Houston continued to see significant demand in loaded export containers. Loaded export volumes at Port Houston reached 349,964 TEUs year-to-date, an increase of 26% in the first quarter of this year compared to last and 10% up compared to March 2022. In fact, this was the highest monthly volume for loaded exports in Port Houston’s history. Empty import volumes also increased by 111% for the month compared to March 2022, as carriers reposition containers to Houston to meet the high demand for resin and petrochemical exports. Port Houston is the nation’s number one port for resins exports, with a 59% share of U.S. resins exports and 73% share of U.S. PE exports in 2022. Despite a 3% decline in total TEUs in March 2023, container volumes through Port Houston are on track to hit 1 million TEUs earlier in the year than ever before. In Q1 2023, Port Houston handled 934,031 TEUs, or an increase of 3% compared to last year. “We continue to see the softening of import demand across the U.S. and in Houston as well, where loaded import container TEUs at Port Houston’s terminals were down 12% in March 2023. However, total throughput is offset by the strong export market we have in Houston and our ability to provide both export and import customers excellent customer service, skilled labor, and an efficient gateway,” said Roger Guenther, Executive Director at Port Houston.

12. Port of Long Beach reports 30% plunge in Q1 container volumes

The Southern Californian gateway port of Long Beach saw a 30% drop in container volumes in the first quarter of the year. The Port of Long Beach handled 1.72m teu in the first quarter of 2023 down some 30% on the same three-month period in 2022. The sharp drop in volumes reflects a normalisation of the container trades, high inventory stocks built up by US importers last year, lower US consumer spending, and as a result a drop in exports from China. In March 2023 the port handled 603,878 teu down 30% on a record March volume in 2022.

13. Nearly 2,500 pieces of military cargo, including nearly 100 aircraft, move through JAXPORT

The Jacksonville Port Authority (JAXPORT) recently facilitated the movement of nearly 2,500 pieces of U.S. military cargo, including almost 100 aircraft. The move took place during two shipments over the past month at the port’s Blount Island Marine Terminal. The U.S. Army’s South Carolina-based 841st Transportation Battalion managed logistics in support of the Georgia-based 3rd Combat Aviation Brigade (CAB), 3rd Infantry Division. Terminal operator SSA Atlantic provided stevedoring services by loading a first vessel bound for Europe to support the United States’ commitment to NATO allies and partners. Additionally, a second vessel transported cargo to the Middle East to support Department of Defence initiatives in the region.

14. Drewry World Container Index - 20 Apr

The latest Drewry WCI composite index of \$1,774 per 40-foot container is now 83% below the peak of \$10,377 reached in September 2021. It is 34% lower than the 10-year average of \$2,688, indicating a return to more normal prices, but remains 25% higher than average 2019 (pre-pandemic) rates of \$1,420. The composite index increased by 4% to \$1,773.58 per 40ft container, but is 77% lower than the same week in 2022. Transpacific eastbound rates rose, reflecting the General Rate Increases implemented by carriers from mid-April. Freight rates on Shanghai – New York gained 12% or \$297 to \$2,849 per feu. Rates on Shanghai – Los Angeles surged 11% or \$182 to settle at \$1,856 per

40ft box. Rates on Shanghai – Genoa inched up by 1% to \$2,268 per 40ft container. However, rates on New York – Rotterdam fell 5% to \$969 per feu. Rates on Rotterdam – Shanghai and Los Angeles – Shanghai dropped 4% each to \$618 and \$1,009 per 40ft box, respectively. Rates on Rotterdam – New York have now decreased for 19 consecutive weeks and saw a weekly drop of 1% to \$4,881 per 40ft container. Rates on Shanghai – Rotterdam hovered around the previous week’s level. Drewry expects East-West spot rates on routes other than the transatlantic to rise in the next few weeks.

15. Roberts Bank Terminal 2 receives approval from the Government of Canada

The Vancouver Fraser Port Authority welcomes the Government of Canada’s decision to approve the Roberts Bank Terminal 2 Project, announced on April 202, 2023 following a rigorous environmental assessment process that started in 2013. The decision comes as Canada’s container trade remains on a long-term growth trajectory, with west coast marine container terminals forecast to hit capacity by the mid- to late-2020s. “With this approval, we can advance one of Canada’s most important trade infrastructure projects to date, bolster our national supply-chain resilience, and deliver generational economic benefits for Canadians and Canadian businesses,” said Robin Silvester, president and CEO of the Vancouver Fraser Port Authority, the federal agency mandated to enable Canada’s trade through the Port of Vancouver. “I’d like to thank Indigenous and local communities, scientists, industry, chambers of commerce, and all tiers of government, who have played such an important role in shaping the project to date.” The Roberts Bank Terminal 2 Project includes building new land and a new three-berth marine container terminal near existing port terminals at Roberts Bank in Delta, B.C. The project will incrementally deliver an additional 2.4 million twenty-foot equivalent units (TEUs) of capacity, ultimately increasing Canada’s west coast container capacity by approximately one-third.

16. Port of Oakland March container volume rises

The Port of Oakland’s March 2023 total container volume increased 10.7% over February 2023 volume. Overall exports (loaded and empty containers) rose 13.1% compared to February 2023. Overall imports also rose by 7.9%. This March marks the first month since November 2020 that Port of Oakland loaded exports have outpaced full imports. Loaded exports dropped 6.1% in March 2023, with 65,635 TEUs (twenty-foot containers) versus 69,878 TEUs in March 2022. Empty exports declined 28.8%, registering 26,225 TEUs this March in contrast to 36,832 TEUs in March 2022. Full TEUs continue their downswing compared to March 2022, registering a 23.3% drop, with 125,946 TEU’s handled by the Port this March in contrast to 164,148 TEUs in March 2022. This year’s first quarter full TEU volume declined by 20.5% compared to the first quarter 2022.

17. Singapore, Long Beach, L.A. Ports to establish green, digital shipping corridor with a signed MoU

The Maritime and Port Authority of Singapore (MPA), Port of Long Beach and Port of Los Angeles, with the support of C40 Cities, signed a memorandum of understanding on April 24, 2023 to establish a green and digital shipping corridor between Singapore and the San Pedro Bay ports complex to support the decarbonization of the maritime industry and improve efficiencies through digitalization. The memorandum was signed by Teo Eng Dih, Chief Executive of MPA; Mario Cordero, Port of Long Beach Executive Director; and Gene Seroka, Executive Director of the Port of Los Angeles. The signing was witnessed by Jonathan Kaplan, United States Ambassador to Singapore; S. Iswaran, Singapore’s Minister for Transport and Minister-in-charge of Trade Relations; Niam Chiang Meng, Chairman of MPA; Sharon L. Weissman, Long Beach Harbor Commission President; and Edward Renwick, Vice President of the Los Angeles Harbor Commission. “Curbing greenhouse gases from international shipping is essential to fight global warming,” said the Port of Long Beach’s Cordero. “Creating this green corridor with our partner ports and C40 Cities is part of our strategy to coalesce all of our efforts here and beyond to help advance our goals for cleaner marine fuels for oceangoing vessels, improve efficiencies for the global movement of goods, and to achieve a carbon-neutral future.”

18. Port of Vancouver: Accumulated Container Traffic January to March 2023

The Port of Metro Vancouver released its container traffic for the first quarter of 2023. For the 2023 first quarter, total traffic in terms of TEUs changed -15.3% i.e., to 707,767 from 835,840. Total import traffic for the first quarter of 2023 changed -15.8% i.e. to 365,132 from 433,870. Total export traffic for the first quarter of 2023 changed -14.8% i.e. to 342,635 from 401,970.

19. Port of Prince Rupert: Accumulated Container Traffic January to March 2023

The Port of Prince Rupert released its container traffic for the first quarter of 2023. For the 2023 first quarter, total traffic in terms of TEUs changed -25% i.e. to 187,543 from 250,394. Total import traffic for the first quarter of 2023 changed -28% i.e. to 92,811 from 128,066. Total export traffic for the first quarter of 2023 changed -23% i.e. to 94,732 from 122,328.

20. Port of Montreal: Accumulated Container Traffic January to March 2023

The Port of Montreal released its container traffic for the first quarter of 2023. For the 2023 first quarter, total traffic in terms of TEUs changed -12.10% i.e. to 361,695 from 411 471. Total import traffic for the first quarter of 2023 changed -14.54% i.e. to 177,841 from 208,095. Total export traffic for the first quarter of 2023 changed -9.6% i.e. to 183,853 from 203,376.

RAIL TRANSPORTATION

1. Railway carloadings, January 2023

In January 2023, the volume of freight carried by Canadian railways reached 31.7 million tonnes, up 18.7% from January 2022 levels, marking the ninth consecutive month of year-over-year increases. Canadian grain shipments were the largest contributor to the year-over-year increase in January 2023, partly reflecting lower volumes in January 2022 attributable to the drought across the Prairies in the summer of 2021. The overall freight volume was much higher than normal for this time of year, exceeding the five-year monthly average of 30.4 million tonnes. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." January's growth in total freight carried was entirely driven by domestic non-intermodal loadings (mainly commodities), as intermodal loadings (mainly containers) and freight traffic from connections with American railways both fell.

2. Class I Briefs: CN, UP

Derek Gaston, CN's Terminal Manager, Intermodal/Multimodal Operations at Taschereau Yard, is leading a pilot project to retrofit light trucks to run on propane and gas to reduce emissions. CN retrofits light trucks to run on propane and gas, as part of its transition plan to a low-carbon economy. Also, Union Pacific (UP) debuts new hazmat-response training railcars built at its De Soto, Mo., shop. Led by Derek Gaston, Terminal Manager, Intermodal/Multimodal Operations at Taschereau Yard in Montreal, [CN](#) in spring 2021 launched a pilot project to test the use of propane as an alternative fuel for fleet vehicles. "We were looking for ways to improve our trucking fleet as a team, so we researched ways to retrofit two vehicles to help CN reduce its impact on the environment in the short term," Gaston said. According to CN, the team reached out to companies that had already retrofitted their fleets through conversion systems that enable gasoline vehicles to also operate on propane. Most kits add fuel-specific supply lines and storage components, and then recalibrate the engine or make software adjustments to the electronic engine control system, the railroad reported.

3. Canadian railways say federal budget measures will increase costs

The Railway Association of Canada (RAC) calls the federal government's move to resurrect the failed policy of extended regulated interswitching misguided and harmful to Canada's supply chains. "This policy will cause Canadians to pay more for virtually everything that moves by rail," says Marc Brazeau, the RAC's president and CEO. "With Budget 2023, at a time when inflation remains at 40-year highs, extending regulated interswitching – even on a temporary basis – will incentivize congestion in our supply chains while disincentivizing private investment." The association said previous attempts at interswitching resulted in slowing down the movement of goods by one to two days, or almost 25 percent, and adds costs as well as increasing greenhouse gas (GHG) emissions.

Canadian railways say federal budget measures will increase costs

4. The path to a zero-waste experience: VIA Rail implements key changes

Since the unveiling of its sustainability plan in April 2022, VIA Rail Canada (VIA Rail) has made steady progress towards its objective to offer a zero-waste experience on its new Corridor fleet by 2025 by focusing on the reduction of packaging and materials in Business and Economy classes and the improvement of waste collection on board its trains and in its facilities. As we are determined to have an immediate impact on our overall waste reduction, improvements that can be applied on the existing fleet will be implemented right away. As such, our passengers can already experience various changes related to packaging and plastic use on our current Corridor

RAIL TRANSPORTATION

Canada

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fleet. Amongst key changes recently implemented as part of its journey towards offering a zero-waste experience on its new Corridor fleet, VIA

www.mto.gov.on.ca

Rail: 1. Changed plastic cups, resulting in a 25% decrease in plastic use; 2. Reduced sandwich packaging, one of our top-selling products, saving the equivalent of more than six tons of waste annually in Economy class; and 3. Completed in-class training of more than 70% of employees working on board trains to improve recycling and prepare for zero-waste objective.

5. Rail transportation, 2021

Rail industry revenues rose in 2021, as business activities resumed following the onset of the COVID-19 pandemic in 2020. Indeed, railways reported operating revenues of \$17.1 billion, up 3.7% from 2020, but not quite reaching the record \$17.5 billion posted in 2019. The Canadian rail industry is comprised of two mainline freight carriers, several short line freight railways, along with passenger rail companies. Freight movements continued to dominate industry activity in 2021, accounting for 9 of every 10 dollars of operating revenues (\$15.6 billion) and increasing 5.5% from 2020. Although the volume of cargo moved by rail remained flat in 2021, revenue tonne-kilometres edged up to 423.9 billion tonne-kilometres. Although passenger rail services remained affected by the impacts of the pandemic in 2021, passenger rail revenue rose to \$132 million in 2021, an increase of 36.6% from 2020. At the same time, government contributions towards passenger rail services decreased by 11.3% to \$424 million in 2021, as the impacts of the pandemic started to taper off.

6. RFPs Issued for Ontario Line Major Work

Infrastructure Ontario (IO) and Metrolinx have issued Requests for Proposals (RFP) to six shortlisted consortiums for two Ontario Line major-works contracts in Toronto: *Pape Tunnel and Underground Stations*, and *Elevated Guideway and Stations*. The packages are being delivered using a “Progressive Design-Build” delivery model, IO and Metrolinx noted. “Shortlisted teams were selected based on criteria identified in the RFQ (Request for Qualifications) process that began in November 2022, which included their design and construction experience.”

7. For March, Carloads, Intermodal Volume Continue Decline

U.S. rail traffic in March 2023 dropped from the same month last year—down 7.6% or 192,349 carloads and intermodal units, the Association of American Railroads (AAR) reported April 5. This follows February’s 5.2% drop from the prior-year period. According to AAR, U.S. Class I railroads in March 2023 hauled 2,323,708 carloads and intermodal units, comprising 1,164,052 carloads (down 1.2%) and 1,159,656 containers and trailers (down 13.3%). For the week ending April 1, 2023, U.S. Class I railroads hauled 467,430 carloads and intermodal units, down 7.4% compared with the same week last year. Total carloads came in at 233,413, down 0.4%, while U.S. weekly intermodal volume was 234,017 containers and trailers, down 13.4% compared with 2022. Canadian railroads reported 85,070 carloads for the week, up 5.4%, and 58,855 intermodal units, down 19.2% compared with the same week in 2022. For the first 13 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 1,817,017 carloads, containers and trailers, up 2.0%.

8. AAR reports rail traffic for the week ending April 8, 2023

The Association of American Railroads (AAR) on April 12, 2023 reported U.S. rail traffic for the week ending April 8, 2023. For this week, total U.S. weekly rail traffic was 451,336 carloads and intermodal units, down 11.2 percent compared with the same week last year. Total carloads for the week ending April 8 were 225,669 carloads, down 4.6 percent compared with the same week in 2022, while U.S. weekly intermodal volume was 225,667 containers and trailers, down 17.0 percent compared to 2022. Four of the 10 carload commodity groups posted an increase compared with the same week in 2022. Canadian railroads reported 78,797 carloads for the week, down 0.3 percent, and 58,922 intermodal units, down 21.9 percent compared with the same week in 2022. For the first 14 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 1,954,736 carloads, containers and trailers, up 0.9 percent.

9. AAR to STB: Railroad Cost of Capital 10.58% for 2022

The Association of American Railroads (AAR) on April 11 submitted to the Surface Transportation Board (STB) its calculations to determine the railroads’ cost of capital for 2022, which the Board will use to make the required annual individual railroad revenue adequacy determination for 2022. The AAR’s calculations find that: 1. The 2022 cost of common equity capital is 11.99%. 2. The 2022 cost of preferred equity capital is 0.00%. 3. The 2022 cost of debt capital is 4.28%. 4. The capital structure of the railroad industry is 18.29% debt, 0.00% preferred equity, and 81.71% common equity.

10. CN: ‘Strong Execution in a Typical Canadian Winter’

Despite experiencing a typical Canadian winter, CN delivered “strong, consistent performance” this past winter, which is attributed to its 2023-22 Winter Plan, the Class I reported April 11, 2023. According to CN, the fundamental changes that the railroad made to its rail operations and planning in spring-summer 2023 to effect improvements in operational performance delivered the desired results. These changes included increasing the frequency of internal coordination and planning calls to enhance the impact of changes that CN made to its operations plan this past spring and summer,

and ensuring it had the right level of resources in place, including recruiting and training conductors. CN says it was “disciplined when challenged with extreme weather conditions,” and its focus on “ensuring that local rail service was adjusted to match the capacity of the mainline network to accept that traffic during periods of extreme weather was key in allowing network productivity to recover much more quickly at the end of any prolonged period of widespread extreme winter weather.”

11. CPKC Drives Ceremonial Final Spike, Joining Three Nations

Canadian Pacific Kansas City (CPKC) on April 14 2023 became the first single-line, transnational railway connecting Canada, the U.S. and Mexico, marked by a ceremonial Final Spike driving in Kansas City, Mo. The new transnational railroad also broke ground on a new yard office, the future location of its U.S. operations center. The merger of Class I railroads Canadian Pacific (CP) and Kansas City Southern (KCS) to form CPKC was authorized by the Surface Transportation Board (STB) on March 15, 2023. With its global headquarters in Calgary, Alta., Canada, CPKC describes itself as “the only railway connecting North America and has unrivalled port access on coasts around the continent, from Vancouver to Atlantic Canada to the Gulf of Mexico to Lázaro Cárdenas on Mexico’s Pacific coast.” The smallest of the now six U.S. Class I railroads by revenue, the newly combined company operates approximately 20,000 miles of rail and employs close to 20,000 people, and is expected to be fully integrated over the next three years. Keith Creel, formerly CP President and CEO, is now President and CEO of CPKC. Pat Ottensmeyer, previously KCS President and CEO, will continue as an advisor to Creel through the remainder of 2023 “to ensure continuity on key initiatives predominantly involving the combined company and Mexico.” Both are former Railway Age Railroaders of the Year, sharing the honor in 2022 and independently honored in 2021 (Creel) and 2020 (Ottensmeyer). Subject to final appointment by the CPKC Board of Directors is the 11-member executive leadership team, all reporting to Creel.

12. CN Launches New Tool to Help its Customers Calculate Greenhouse Gas Emissions

CN announced the launch of a new self-service, sustainability tool, My Carbon Emissions. CN was first to launch the Carbon Calculator, 13 years ago, to give customers visibility into their estimated greenhouse gas (GHG) emissions and emissions savings using rail transportation. Now, this new tool, available on the CN One eBusiness platform, provides customers with a detailed report of their estimated GHG emissions based on all their loaded shipments moved on CN, as well as the emissions avoided by choosing rail over truck. These insights into the environmental benefits of shipping via CN’s transcontinental network empowers customers to make data driven decisions that support their climate objectives. As more companies are looking to quantify, and ultimately, lower their transportation GHG emissions, the information now available will allow customers to easily access and understand part of their Scope 3 emissions. It will also help identify opportunities for them to make more environmentally friendly transportation decisions. It demonstrates CN's commitment to innovate and offer solutions for its customers’ evolving needs.

13. BNSF, NS Reach Labor Agreements

BNSF on April 17, 2023 announced that it will grant individual paid sick days to its railroaders who are Brotherhood of Railway Carmen (BRC) members. The same day, Norfolk Southern (NS) reported reaching a paid sick leave agreement with the Brotherhood of Railroad Signalmen (BRS). At BNSF, BRC members will receive an additional four paid days off to use as sick days and gain the ability to convert up to three personal leave days to sick days each year, according to the Class I, which noted that “specific details regarding these new sick days will be provided to affected team members.” The move builds on existing BNSF paid time off and sickness benefits. BNSF reported that it “remains committed to continued dialogue including the potential addition of paid sick days for those crafts that did not already have individual paid sick days prior to the recent national bargaining round.”

14. Railway carloadings, February 2023

In February 2023, Canadian railways transported 28.5 million tonnes of freight, up 5.0% from February 2022 on the strength of increasing grain shipments, marking the 10th straight month of year-over-year growth. The volume of freight carried in February 2023 was well above the five-year average for the month, breaking the record of 27.4 million tonnes established in the same month in 2021. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." The increase in total freight carried in February was driven by higher volumes of domestic non-intermodal loadings (mainly commodities) since both intermodal loadings (mainly containers) and freight traffic from connections with American railways fell.

15. AAR: North American Rail Volume Down Through 15 Weeks

For the first 15 weeks of 2023 (ending April 15), total U.S. weekly rail traffic dipped 3.9% from the same point last year, according to the Association of American Railroads’ (AAR) April 19, 2023 report. Both Canada and Mexico saw increases, while the U.S. experienced a decline. North American rail volume for the first 15 weeks of the year (ending April 15) on 12 reporting U.S., Canadian and Mexican railroads came in at 9,601,378 carloads and intermodal containers and trailers. Cumulative volume in Canada was 2,097,986 carloads and intermodal units, up 0.7%; in Mexico, 566,804 carloads and intermodal units, up 2.4%; and in the U.S. 6,936,588 carloads and intermodal units,

down 5.7%. For the week ending April 15, 2023, Canadian railroads reported 82,319 carloads for the week, up 9.0%, and 60,931 intermodal units, down 14.8% compared with the same week in 2022.

16. CSX 1Q23: ‘An Encouraging Start to the Year’

“CSX had an encouraging start to the year as the efforts of our dedicated railroaders resulted in strong earnings growth,” said President and CEO Joe Hinrichs during the Class I’s financial report on April 20. “Our ONE CSX initiatives are driving positive engagement among our employees and customers, which is lifting our service performance and providing us with exciting opportunities to win business and move more freight while maintaining our fundamental commitment to safe operations,” Hinrichs added. CSX reported first-quarter 2023 operating income of \$1.46 billion compared to \$1.28 billion in the prior year period; net earnings of \$987 million, or \$0.48 per share, compared to \$859 million, or \$0.39 per share, in the same period last year.

17. CN and TCRC Reach Tentative Agreement

On April 23, 2023, CN announced that a tentative agreement has been reached with the Teamsters Canada Rail Conference (TCRC). The union represents approximately 6,000 CN Locomotive Engineers, Conductors, Yard Conductors, and Yard Coordinators working on CN’s mainline, shortlines and yards, in Canada. Tracy Robinson, President and Chief Executive Officer, CN “We are pleased to have reached an agreement with the TCRC. We would like to thank their leadership for engaging with CN in proactive and productive discussions, ensuring uninterrupted service for our customers. We look forward to working with them in the future.”

18. CN Updating 2023 Guidance Following Strong First Quarter Performance

On April 24, 2023, CN reported its financial and operating results for the first quarter ended March 31, 2023. Diluted earnings per share (EPS) of C\$1.82 increased by 38% on an adjusted basis and 39% on a reported basis. CN’s scheduled operating plan demonstrated resiliency against Canadian winter conditions. Tracy Robinson, President and Chief Executive Officer, CN said “We are very proud of our performance this quarter. Safety is at the heart of everything we do and I’m particularly proud of our safety performance. We remain confident in our long-term growth despite current economic uncertainty. Our updated guidance reflects the strength of our scheduled operating model and its ability to drive strong operational results. For the immediate future, we remain focused on running our plan and providing reliable service to our customers.” The first-quarter 2023 financial results highlights compared to first-quarter 2022 were: 1. Record first quarter revenues of C\$4,313 million, an increase of C\$605 million, or 16%. 2. Record first quarter operating income of C\$1,662 million, an increase of C\$435 million, or 35%. 3. Operating ratio, defined as operating expenses as a percentage of revenues, of 61.5%, an improvement of 5.4-points, or an improvement of 5.1-points on an adjusted basis. 4. Record first quarter diluted EPS of C\$1.82, an increase of 39%, or an increase of 38% on an adjusted basis. 5. Free cash flow of C\$593 million, an increase of 4%.

19. CN Declares Second-Quarter 2023 Dividend

On April 24, 2023, CN announced that its Board of Directors has approved a second-quarter 2023 dividend on the Company’s common shares outstanding. A quarterly dividend of seventy-nine cents (C\$0.7900) per common share will be paid on June 30, 2023, to shareholders of record at the close of business on June 9, 2023.

20. CN, UP and GMXT announce new transformational Mexico-US-Canada intermodal service

CN, Union Pacific Railroad and GMXT have announced on April 24, 2023 the creation of Falcon Premium intermodal service, a best-in-class Mexico-US-Canada service with a seamless rail connection in Chicago, Illinois. It will directly connect all CN origin points within Canada and Detroit, Michigan to GMXT terminals in Mexico: Monterrey, Nuevo Leon, and Silao, Guanajuato. This service will directly benefit intermodal customers shipping automotive parts, food, FAK (freight all kinds), home appliances, and temperature-controlled products. Falcon Premium service will be the fastest, most reliable intermodal rail service between Canada and Mexico by combining the unique benefits of each partner. The seamless service will leverage GMXT’s best-in-class transit times between Silao, Guanajuato, and Eagle Pass, Texas; Union Pacific’s superior route from Texas to Chicago and CN’s best-in-class service connecting Chicago to all points in Canada through the unique EJ&E Chicago bypass. This new and innovative service allows the maximization of lading weights between Mexico/Canada for greater efficiency for customers. Falcon Premium intermodal service will also contribute to lower greenhouse gas emissions through reduced rail miles and significant truck-to-rail conversion. “Falcon Premium service is a game changer for intermodal customers. By leveraging each partner’s best services and routes, we are creating a transformational new product. Our commitment is to run this service with the utmost focus to maximize speed, reliability, and customer satisfaction. This service is an example of how collaboration and cooperation can improve supply chains for customers.”

21. Union Pacific Reports First Quarter 2023 Results

Union Pacific Corporation on April 20, 2023 reported 2023 first quarter net income of \$1.6 billion, or \$2.67 per diluted share. These results include \$107 million in other income from a one-time real estate transaction. This compares to 2022 first quarter net income of \$1.6 billion, or \$2.57 per diluted share. “We delivered greater network fluidity and resiliency in the first quarter even as we faced a series of significant weather events,” said Lance Fritz, Union Pacific

chairman, president, and chief executive officer. “In addition to the impact of weather on carload volumes and costs, higher inflation also reduced our operating income and more than offset our record first quarter operating revenue. Despite a continued challenging environment, our strengthening service product, bolstered by a strong pipeline of new employees, gives us confidence we can capture available demand and improve efficiency the remainder of the year.”

22. Norfolk Southern Declares Quarterly Dividend

Norfolk Southern Corporation announced on April 25, 2023 a quarterly dividend of \$1.35 per share on its common stock. The dividend is payable May 20, 2023, to shareholders of record on May 5, 2023. The company has paid a dividend on its common stock for 163 consecutive quarters since its formation in 1982.

23. CP Q1 2023 Earnings Review

For CP announced its first quarter 2023 financial results, on April 26, 2023. For the 2023 first quarter compared to the same quarter in 2022 the results were as follows: net income was \$800 million, a increase of 35.59 percent from \$590 million, and diluted earnings per share was \$0.86, a increase of 36.51% from \$0.63; total revenues were \$2.266 billion, a increase of 23.29 per cent from \$ 1.838 billion; operating income was \$829 million, a increase of 54.95 per cent from \$535 million; operating expenses were \$ 1.437 billion, a increase of 10.28% from \$ 1.303 billion and the operating ratio was 63.4, a 7.5 point decrease (i.e. from 70.9).

24. Norfolk Southern reports first quarter 2023 results

Norfolk Southern Corporation announced on April 26, 2023 its first quarter 2023 financial results. For the quarter, income from railway operations was \$711 million, and diluted earnings per share were \$2.04 – down by 34% and 30%, respectively, compared to the first quarter 2022. These results include an initial \$387 million charge associated with the incident in Eastern Ohio and do not reflect any amounts potentially recoverable under the company's insurance policies, which would be reflected in future periods in which recovery is considered probable. Adjusting for the effects of the incident charge, first quarter results included adjusted income from railway operations of \$1.1 billion and adjusted diluted earnings per share of \$3.32 – improvements of 1% and 13%, respectively, compared to first quarter 2022. "From the beginning, we have been guided by one principle: We are going to do whatever it takes to make it right for East Palestine and the surrounding areas," said Norfolk Southern President and Chief Executive Officer Alan H. Shaw. "We are making progress every day and I'm proud of our people. Our response reflects our strategy of focusing on long-term priorities and value." For the 2023 first quarter the results were: 1. Railway operating revenues of \$3.1 billion, up 7%, or \$217 million, compared to first quarter 2022. 2. Income from railway operations in the first quarter 2023 was \$711 million including a \$387 million charge associated with the Eastern Ohio Incident, a 34% decline compared to \$1.1 billion in the first quarter of 2022. 3. Adjusting for the Eastern Ohio Incident, income from railway operations was \$1.1 billion, up \$13 million or 1% compared to first quarter 2022. 4. Diluted earnings per share were \$2.04 in the first quarter 2023, a decline of 30% compared to first quarter 2022. 5. Adjusting for the Eastern Ohio Incident, diluted earnings per share were \$3.32, up 13%, or \$0.39 compared to the first quarter 2022.

25. AAR: Carloads Up, Intermodal Down for Week Ending April 22

It's the second consecutive week that U.S. carloads rose while intermodal volumes fell, and total rail traffic continued to lag 2022 levels, according to Association of American Railroads' (AAR) reports. For the week ending April 22, 2023, carloads came in at 240,584—a 5.1% increase from the same week last year—and intermodal volume was 239,873 containers and trailers—a 10.8% decrease from last year, the AAR reported on April 26. Total rail traffic was 480,457 carloads and intermodal units, down 3.5% compared with the prior-year period. Canadian railroads reported 81,037 carloads for the week, up 4.4%, and 64,915 intermodal units, down 9.5% compared with the same week in 2022. For the first 16 weeks of 2023, they reported cumulative rail traffic volume of 2,243,938 carloads, containers and trailers, up 0.5%.

26. CTA announces Volume-Related Composite Price Indices for Crop Year 2023–2024 for CN and CP

The Canadian Transportation Agency (CTA) has announced its determination of the Volume-Related Composite Price Index (VRCPI) for the Canadian National Railway Company (CN) at 1.8295 and the Canadian Pacific Railway Company (CP) at 1.7616 for the 2023–2024 crop year beginning August 1st, 2023. This is an increase in the VRCPI over the last crop year of 12.11% for CN and 5.43% for CP. These indices will be used in determining CN's and CP's Maximum Revenue Entitlement for the movement of western grain in the 2023–2024 crop year. The Maximum Revenue Entitlement limits the overall revenue earned by CN and CP for shipping regulated grain. Much of this year's price differential (the difference between the forecasted and actual price increases) is directly linked to unexpectedly high fuel and related material costs in 2022. Last year, the Agency's fuel model projected just over 30% increases in railway fuel costs using third-party forecasts available at that time. However, railway fuel costs in 2022 rose by more than 63% in the wake of a notable shortage in the supply of diesel fuel in North America and increased global demand. The net difference of 63% (actual) versus 30% (forecast) has been incorporated into this year's calculations and contributes to the overall net increase. Adjustments were also made for other components, including the material component for CN and CP.

27. Ontario Advancing Contract for Yonge North Subway Extension

The Ontario government is one step closer to getting shovels in the ground on the Yonge North Subway Extension. On April 27, 2023, the province issued a Request for Qualifications (RFQ) for the Advance Tunnel Contract, marking a significant milestone in its plan to reduce gridlock, connect people to jobs and make travel between York Region and Toronto faster and easier.

HIGHWAY TRANSPORTATION

1. Training, safety investments prevent violations

Some people like BLT – bacon, lettuce and tomato – in their sandwich. Commercial carrier folks may not find it to their taste, especially when talking about BLT (brake, light and tire) violations. For the past few years, Commercial Vehicle Safety Alliance’s (CVSA) International Roadcheck campaigns have continued to find the most violations with brakes, lights and tires, and this year’s blitz on May 16-18 is approaching quickly. Last year, Canadian enforcement teams placed 22.6% of inspected vehicles out of service during a May 17-19 campaign. The top five vehicle out-of-service violations involved brake systems, cargo securement, defective service brakes, lights and tires.

2. Ontario Advancing Contracts for Ontario Line Subway

The Ontario government is issuing Requests for Proposals (RFPs) to design and build the Pape Tunnel, underground stations, and the elevated guideway and stations for the Ontario Line subway, marking another milestone in the province’s plan to deliver fast and reliable transit for the Greater Toronto Area (GTA).

3. Inflation is changing the face of cargo theft

Criminals are adapting to inflation and lessened port congestion and evolving more fraudulent methods of targeting specific goods, says a new report. The latest *Annual Cargo Theft Report* for 2022 from partners TT Club, the Transported Asset Protection Association’s Europe, Middle East & Africa region (TAPA EMEA) and BSI SCREEN Intelligence shows an overall decline in global incidents over the previous year but with increasing emphasis on basic goods, food and beverages, fuel and auto parts linked to the inflationary effect on the value of such items. Theft of high value electronics remains constant. “Our report explores these themes in more detail by way of case studies that look at how social unrest in Latin America, particularly Chile, Peru and Brazil, has provided a weakness exploited by thieves,” said Mike Yarwood, MD Loss Prevention at TT. “Also, how in South Asia crime involving fraudulent practices, like fictitious pickups to target cargo, are manifest.”

4. FedEx targets \$4 billion cost cuts by merging delivery networks

FedEx Corp. is seeking to cut \$4 billion in costs by combining its two main delivery networks, in an ambitious plan by new Chief Executive Officer Raj Subramaniam to increase profit margins. The courier has for decades operated an express package business separately from its ground unit, which FedEx acquired in 1998 and depends on third-party contractors to make the last-mile delivery of parcels. As of June 2024, it will be “a single company operating a unified, fully integrated air-ground network under the respected FedEx brand,” the company said on April 5, 2023 in a statement. “FedEx is at a pivotal moment in history,” Subramaniam said during an investor meeting in New York. “There is significant value in FedEx that’s being unlocked for shareholders.” The courier’s shares rose 3.8% at 9:49 a.m. in New York. The stock has been trading almost 30% below its May 2021 peak. FedEx has trailed United Parcel Service Inc. on profit margins even though its larger rival has a unionized workforce and pays its drivers more

HIGHWAY TRANSPORTATION

Canada

1. Training, safety investments prevent violations, March 30, 2023, www.todaystrucking.com
2. Ontario Advancing Contracts for Ontario Line Subway, April 4, 2023, www.mto.gov.on.ca
3. Inflation is changing the face of cargo theft, April 4, 2023, www.insidelogistics.com
4. FedEx targets \$4 billion cost cuts by merging delivery networks, April 5, 2023, www.ajot.com
5. New report finds hydrogen and battery electric will work in tandem for long haul trucking, April 5, 2023, www.insidelogistics.ca
6. Truck Driver Job Vacancies Hits All-Time High in 2022, April 6, 2023, www.ontruck.ca
7. B.C. plans to mandate speed limiters on trucks, April 10, 2023, www.todaystrucking.com
8. Border Vax Mandate Remains in Effect as U.S. Ends COVID Emergencies, April 10, 2023, www.ontruck.ca
9. February 2023 Freight Transportation Services Index (TSI), April 12, 2023, www.bts.gov
10. Ryder will add BrightDrop vans to fleet, April 13, 2023, www.insidelogistics.ca
11. Biden-Harris Administration Announces Nearly \$300 Million for 9 Bridge Projects as Part of Investing in America Agenda, April 13, 2023, www.dot.gov
12. Ontario Investing in Municipal Road and Bridge Repairs, April 14, 2023, www.mto.gov.on.ca
13. Urban public transit, February 2023, April 14, 2023, www.statcan.gc.ca
14. Lion inaugurates Quebec battery plant, April 17, 2023, www.todaystrucking.ca
15. Trucking conditions weakened in February, April 17, 2023, www.todaystrucking.ca
16. Biden-Harris Administration Announces More Than \$1 Billion for Local Communities to Improve Roadway Safety, April 17, 2023, www.dot.gov
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20. Truck tonnage in March saw largest loss since pandemic, April 18, 2023, www.todaystrucking.com
21. Transport Canada announces that Hyundai Auto Canada Corporation has pleaded guilty to criminal charges for violating the *Motor Vehicle Safety Act*, April 18, 2023, www.tc.gc.ca
22. First Loblaw electric transport hits the road in

than twice what their counterparts at FedEx's ground network make.

5. New report finds hydrogen and battery electric will work in tandem for long haul trucking

The North American Council for Freight Efficiency (NACFE) and RMI have released a new Guidance Report, Hydrogen Trucks: Long Haul's Future? The report focuses on using hydrogen-based powertrains for heavy-duty Class 8 long-haul freight routes pulling van trailers. These powertrains include a range of fuel cell battery electric types and internal combustion engines (ICE) based on the diesel cycle. Among its findings, the report suggests that hydrogen and battery electric are not an "either/or" but an "and" for the zero-emission freight future. This report is based on two previous NACFE reports — Viable Class 7/8 Electric, Hybrid and Alternative Fuel Tractors and Making Sense of Heavy-Duty Hydrogen Fuel Cell Tractors — which compared a range of alternative fuel heavy-duty truck technologies including hydrogen.

6. Truck Driver Job Vacancies Hits All-Time High in 2022

Truck transportation job vacancies more than tripled since 2015 and is more than two times higher than in 2019, prior to the onset of COVID, reports *Trucking HR Canada* in its latest labour market information report. The data also shows the number of truck driver vacancies in 2022 stood at an all-time high with almost 25,600 vacant positions. Combined with a very low unemployment rate of 3.4% among Transport Truck Drivers in 2022, the gap between the demand for workers and the supply of trained, experienced drivers stood at almost 15,200 drivers in 2022, says THRC.

7. B.C. plans to mandate speed limiters on trucks

British Columbia is planning to mandate speed limiters on heavy-duty commercial vehicles, in a bid to reduce speed-related crashes and greenhouse gases. Rob Fleming, B.C. minister of transportation and infrastructure, tabled Bill 23, which proposes related changes to the *Motor Vehicles Act*, last week. "This legislation requires drivers to use appropriate care around pedestrians and cyclists, supports enforcement of regulations, and sets a strong foundation for testing and evaluating new technology and policies as we shift to a net-

Zero future in B.C.," Fleming said in a press release. The B.C. Trucking Association (BCTA) applauded the move.

8. Border Vax Mandate Remains in Effect as U.S. Ends COVID Emergencies

US President Biden signed legislation on April 10, 2023 to end all national COVID related emergencies, which were previously expected to expire on May 11, 2023, but the Canadian Trucking Alliance (CTA) is confirming that the removal of these measures does not include the U.S. border vaccine mandate, which remains in effect for all non-U.S. citizens, including for cross-border truck drivers. CTA continues to actively engage with U.S. officials and diplomats on the removal of the vaccine mandate. Other industry representatives, including the American Trucking Associations (ATA), tourism advocates, governors and northern mayors have also been vocal about the removal of the mandate and the need to unify border requirements to the benefit of our sector and cross-border economy.

9. February 2023 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 1.4% in February 2023 from January 2023, rising after a one month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From February 2022 to February 2023 the index fell 0.8%.

10. Ryder will add BrightDrop vans to fleet

Ryder System, Inc. plans to introduce 4,000 BrightDrop Zevo 600 and Zevo 400 electric vans to its lease and rental fleet through 2025. The first 200 vans will be ordered this year. Ryder plans to deploy model year 2023 Zevo 600 electric vans in its rental fleet in California, Dallas-Fort Worth, and New York City later this year. The new 2024 Zevo 600 and Zevo 400 models for lease and rental customers are expected to be available as early as summer 2023 and into the first quarter of 2024.

11. Biden-Harris Administration Announces Nearly \$300 Million for 9 Bridge Projects as Part of Investing in America Agenda

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24. GLS Canada to introduce Lion6 electric trucks, April 20, 2023, www.todaystrucking.com
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32. TFI International Announces 2023 First Quarter Results, April 25, 2023, www.tfiintl.com; and TFI International suffered declines in revenue and net income in the first quarter, but feels optimistic conditions are ripe for a meaningful Reports 2023, April 27, 2023, www.todaystrucking.com
33. First Quarter Financial Results including Record First Quarter Revenue, April 27, 2023, www.newswire.com

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on April 13, 2023 announced nearly \$300 million for nine small and medium-sized bridge projects in both rural and urban areas in eight states and the District of Columbia. The grants from the Bipartisan Infrastructure Law's Bridge Investment Program are an integral part of President Biden's Investing in America agenda to rebuild our infrastructure and grow our economy from the middle out and bottom up. It comes on top of billions of dollars in other bridge and highway funding already flowing to every U.S. state and territory that is helping communities rebuild, repair, and replace tens of thousands of bridges across the nation and restoring connections that are vital to commuters, emergency responders, truck drivers, public transit riders, and more.

12. Ontario Investing in Municipal Road and Bridge Repairs

The Ontario government is providing \$30 million to support municipal road and bridge repairs in 21 municipalities across the province. The funding is being delivered through the Connecting Links program and will help to connect people to jobs, support the movement of goods and spur economic growth. "We are investing in municipal roads and bridges to help municipalities make needed infrastructure improvements that will keep our communities moving safely and efficiently everyday," said Caroline Mulroney, Minister of Transportation. "This funding is part of our government's plan to create a strong Ontario, connecting more people to jobs, housing and economic opportunities across the province."

13. Urban public transit, February 2023

In February 2023, the number of urban transit passengers in Canada reached 113.2 million passenger trips. The recovery rate of ridership in February 2023 remained under three-quarters (73.6%) of its pre-COVID-19 pandemic February 2019 level. As in January 2023, urban transit ridership in February 2023 was able to recover almost three-quarters (73.6%) of its pre-pandemic February 2019 volume, which equates to 40.6 million fewer rides than the number recorded that month. Transit ridership typically dips 1.6% from January to February, in part due to fewer calendar days. This February (i.e. 2023), there was a 3.7% drop in passengers despite Canada's unemployment rate (5.0%) remaining near a record low, according to the Labour Force Survey. In February 2023, transit agency operating revenues (excluding subsidies) were up 48.1% from the same month in 2022 to \$264.9 million, but still 20.9%, or \$69.8 million, below the pre-pandemic February 2019 level.

14. Lion inaugurates Quebec battery plant

Lion Electric has inaugurated its Mirabel, Que., plant where it will produce lithium-ion batteries for its trucks and buses. The 175,000 sq.-ft. facility is located near the Mirabel airport. The batteries produced there will go into vehicles produced in Saint-Jerome, Que., and Joliet, Ill. "I am incredibly proud that we have reached this significant milestone in Lion Electric's journey," said company founder and CEO Marc Bedard.

15. Trucking conditions weakened in February

Weaker freight rates and volumes caused trucking conditions to deteriorate in February 2023, according to the latest FTR Trucking Conditions Index (TCI). The -5.17 reading was down from -1.71 in January 2023, with negative conditions more than offsetting some slight improvements in utilization and fuel costs. FTR anticipates trucking conditions will remain in negative territory until well into 2024. "While market conditions for trucking companies weakened in February 2023, the relatively better – though still negative – TCI in January was the outlier," said Avery Vise, FTR's vice-president of trucking.

16. Biden-Harris Administration Announces More Than \$1 Billion for Local Communities to Improve Roadway Safety

The U.S. Department of Transportation (DOT) has opened the process for cities, towns, counties, Tribal governments and Metropolitan Planning Organizations (MPO) to apply directly for a total of \$1.177 billion to fund local projects that improve roadway safety. The funds are from the competitive grant program, Safe Streets and Roads for All (SS4A), which was created in President Biden's Bipartisan Infrastructure Law to help communities both plan and carry out projects that help reduce the number of deaths and serious injuries on our highways, streets, and roads. Funding can be targeted toward known high-crash areas, which are easier than ever to identify thanks to an interactive tool created by DOT. Locally driven solutions can include everything from improving sidewalks and adding high-visibility crosswalks, to reconfiguring intersections. More than 500 communities received funding for planning and projects from first round of grants announced in February 2023; and second round of funding encourages applicants to submit proposals that include demonstration projects that can be built quickly from temporary materials

17. US Truck Parking Bill Reintroduced

A group of senators and representatives have [reintroduced](#) the Truck Parking Safety Improvement Act, which would grant funds to expand commercial truck parking capacity across the United States, reports HDT. The American Trucking Associations, the Owner-Operator Independent Drivers Association and NATSO, which represents truckstops and travel centers, applauded the introduction of the legislation, which, if signed into law, would authorize \$755 million in competitive grant funding to increase truck parking capacity. The primary focus of the legislation would be to

construct new truck parking facilities and convert existing weigh stations and rest areas into functional parking spaces for truck drivers.

18. Lion Electric opens EV battery plant in Mirabel

Lion Electric has opened its new manufacturing factory that will produce lithium-ion batteries for medium and heavy-duty vehicles in Mirabel, Quebec. The first of its kind in Canada, this recently built 175,000-square-foot facility located at the YMX International Aerocity, will power electric vehicles assembled by Lion at its Saint-Jérôme, Quebec, and Joliet, Illinois, manufacturing plants. Following the installation of the initial portion of the battery assembly line in Mirabel, production of the first battery pack was completed at the end of 2022. Final certification of the first battery pack model is expected in the first half of 2023, followed by a gradual production ramp-up in 2023.

19. Government of Canada announces funding to improve trade activities in Annapolis Valley First Nation and in King's County

On April 17, 2023, Member of Parliament for Kings–Hants, Kody Blois, on behalf of the Minister of Transport, the Honourable Omar Alghabra, announced an investment of up to nearly \$22 million under the National Trade Corridors Fund, to enable internal trade activities, including agricultural exports, in Annapolis Valley First Nation and in King's County. One of the project's objectives is to make lands available for potential future development. This effort is expected to support the development of a business park that could attract dozens of local businesses, bringing direct benefits to the economies of Annapolis Valley First Nation and King's County.

20. Truck tonnage in March saw largest loss since pandemic

U.S. for-hire truck tonnage plummeted 5.4% in March 2023, the largest sequential decline seen since April 2020 at the beginning of the pandemic. The drop comes on the heels of a 0.9% increase in February 2023. "After increasing a total of 2.6% during the three previous months, March's sequential decline was the largest monthly drop since April 2020 during the start of the pandemic," said ATA chief economist Bob Costello.

21. Transport Canada announces that Hyundai Auto Canada Corporation has pleaded guilty to criminal charges for violating the *Motor Vehicle Safety Act*

On April 18, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced that Hyundai Auto Canada Corp. pleaded guilty to six different counts of criminal charges of violating the *Motor Vehicle Safety Act*. The six guilty pleas were all for failing to send out notices of safety defect within 60 days. The company will also pay a fine of \$360,000 for these charges. The safety defects in question are related to six recalls issued by Hyundai in 2020 and 2021. These defects were serious in nature.

22. First Loblaw electric transport hits the road in Montreal

Loblaw Companies Limited has put its first heavy-duty fully electric transport truck on the road. The vehicle is a battery-electric Freightliner eCascadia manufactured by Daimler Truck North America (DTNA) – the first series production eCascadia handed over to a customer in Canada, and one of five Loblaw expects to put into service in the months ahead. The first electric truck will make daily runs between Loblaw's distribution centre in Boucherville, Quebec, and Loblaw stores in the Greater Montreal Area, which include Provigo, Provigo Le Marche, and Maxi. The trucks will get up to 370 kilometres per charge while hauling up to 82,000 pounds of gradually diminishing gross weight, and will return to the Boucherville distribution centre's new charging station to recharge daily.

23. NHTSA Estimates for 2022 Show Roadway Fatalities Remain Flat After Two Years of Dramatic Increases

The National Highway Traffic Safety Administration has released its latest projections for traffic fatalities in 2022, estimating that 42,795 people died in motor vehicle traffic crashes. This represents a small decrease of about 0.3% as compared to 42,939 fatalities reported for 2021. The estimated fatality rate decreased to 1.35 fatalities per 100 million vehicle miles traveled in 2022, down from 1.37 fatalities per 100 million VMT in 2021. Americans are driving more than they did during the height of the pandemic, almost a 1% increase over 2021. NHTSA also projects that fatalities declined in the fourth quarter of 2022. This is the third straight quarterly decline in fatalities after seven consecutive quarters of increases that started in the third quarter of 2020. U.S. Transportation Secretary Pete Buttigieg said "We continue to face a national crisis of traffic deaths on our roadways, and everyone has a role to play in reversing the rise that we experienced in recent years."

24. GLS Canada to introduce Lion6 electric trucks

GLS Canada – a provider of parcel, freight and logistics services – is purchasing four Lion6 battery-electric trucks for final mile deliveries. "It brings us joy to support a local business and promote the local economy all while reducing our carbon footprint," GLS Canada president Rick Barnes said in a press release, referring to the Quebec-headquartered Lion Electric. The fleet itself is looking to generate zero emissions by 2045.

25. Economic Trucking Trends: Q1 earnings paint grim picture as freight conditions deteriorate

Publicly traded U.S. fleets have begun reporting Q1 earnings, and they aren't pretty. Spot market rates continue to be below operating costs, squeezing smaller carriers out of the marketplace. But equipment demand remains healthy, albeit at lower levels than we've seen. Truck tonnage has seen its sharpest decline since the start of the pandemic, and

industry forecaster FTR has reported worsening overall trucking conditions. These are some of the economic highlights (lowlights?) from the week that was, delivered to you in the first of our weekly Economic Trucking Trends roundup.

26. Urban logistics needs urgent rethink, researchers find

The intensification of e-commerce has resulted in fragmented and wasteful urban logistics networks, say researchers from consultancy Roland Berger. The Covid-19 pandemic led to increased online shopping plus, the demand for faster delivery. To keep up, logistics services implemented a fragmented approach, which has now resulted in even more challenges. In a study “From atomization to massification. Urban logistics must make a U-turn to achieve a sustainable future”, Roland Berger experts advise moving away from the current fragmented process of delivery, and urge stakeholders to work closely together to bundle flows and transform the entire ecosystem. Urban environments require additional coordination to realize a more sustainable and efficient delivery system.

27. Alberta keen to attract new drivers amid shortage challenge

The biggest challenge that the Alberta trucking industry is facing is a shortage of drivers. The province is short 4,000 professional drivers and the number is rising, warned Doug Paisley, chairman of Alberta Motor Transport Association’s (AMTA) board of directors. “My company, Lethbridge Truck Terminals, has 53 drivers and the average age is 56 years old. There’s no young guys coming in,” he told *TruckNews.com* during AMTA’s leadership conference and annual general meeting in Edmonton. The AMTA is lobbying for trade credentials and professional designations for transport drivers. “We need that National Occupational Standard to be established. We need to build criteria-based training. Mandatory Entry Level Training [MELT] gets you a licence but it doesn’t mean you can drive. Training must take place after they get their licence. It’s expensive and it takes time,” Paisley said.

28. Driving school making false representation, Ontario associations warn

The Truck Training School Association of Ontario (TTSAO) is warning that there is a school in the province that falsely claims to be a member of the association, but is not. TTSAO provided *TruckNews.com* with a driver’s certificate from Great Canada Driving School that carried the association’s logo. The school has no legal standing to claim they are a part of the association, the TTSAO said. “I have a problem with people doing that to us internally and as an industry,” Philip Fletcher, TTSAO president said. A cease-and-desist order was delivered to the school by hand last month.

29. New Brunswick approves 60-ft. extended semitrailers

Sixty-foot extended semitrailers will soon be allowed to run across New Brunswick, as the province updates its long combination vehicle (LCV) guidelines. “One more piece of red tape has been removed, harmonizing LCV regulations across the region,” Chris McKee, executive director of Atlantic Provinces Trucking Association (APTA), told *TruckNews.com*. “Some carriers are very eager for this and very pleased this will be happening. The four provinces in our region are tied to each other in terms of inter-provincial trade. It is ridiculous that we had these hinderances,” he added.

30. Coalition Asks for Bilateral Cooperation to Address Misaligning Border Policies & Barriers for Trucking Operators

The Canadian Trucking Alliance (CTA) – as a part of a coalition of Canada-U.S. trucking industry associations, including the American Trucking Associations (ATA), National Tank Trucking Carriers, Inc. (NTTC), and Truckload Carriers Association (TCA) – is requesting the Canadian Ambassador to the U.S., Kirsten Hillman, and U.S. Ambassador to Canada, David L. Cohen, work bilaterally to ensure reciprocal treatment, and remove unnecessary trade barriers for cross-border operators and truck drivers, considering the importance of Canada-U.S. trade and the enormous amount of freight moving between our two countries.

31. North American Transborder Freight up 6.6% in February 2023 from February 2022

Transborder freight between the U.S. and North American countries Canada and Mexico for February 2023 is as follows: 1. Total transborder freight: \$119.9 billion of transborder freight moved by all modes of transportation, up 6.6% compared to February 2022; 2. Freight between the U.S. and Canada totaled \$59.3 billion, up 5.5% from February 2022; 3. Freight between the U.S. and Mexico totaled \$60.6 billion, up 7.8% from February 2022; 4. Trucks moved \$75.9 billion of freight, up 9.7% compared to February 2022; 5. Railways moved \$16.7 billion of freight, up 9.2% compared to February 2022; 6. Pipelines moved \$9.5 billion of freight, down 3.7% compared to February 2022; 7. Vessels moved \$8.6 billion of freight, down 4.6% compared to February 2022; and 8. Air moved \$4.0 billion of freight, down 6.2% compared to February 2022. *U.S.-Canada trade in both directions for February 2022 is as follows:* 1. Truck: \$32.8 billion; 2. Rail: \$9.1 billion; 3. Pipeline: \$9.0 billion; 4. Air: \$2.5 billion; and 5. Vessel: \$2.4 billion.

32. TFI International Announces 2023 First Quarter Results

TFI International Inc. a North American leader in the transportation and logistics industry, on April 25, 2023 announced its results for the first quarter ended March 31, 2023. Alain Bédard, Chairman, President and Chief Executive Officer said “We generated 69% growth in net cash from operating activities and our free cash flow more than doubled over the past year even as intensifying macro headwinds drove reduced volumes, and despite unfavorable FX fluctuations and

the sale of CFI assets last summer.” The highlights for the first quarter of 2023 were as follows: 1. First quarter operating income of \$166.4 million compares to \$219.8 million the same quarter last year, reflecting reduced freight volumes and non-recurring costs, including \$9.5 million in severance and early retirement buyouts in US LTL, \$7.9 million of IT and related transition expenses in US LTL and \$3.7 million of mark-to-market expense related to deferred share units. The results were also impacted by \$6.2 million unfavorable currency translation impact relative to the same period last year and the divestiture of CFI which in the same period last year contributed \$17.4 million in operating income, the proceeds from which remain largely still to be invested. 2. First quarter net income was \$111.9 million compared to \$147.7 million in Q1 2022, while adjusted net income was \$116.5 million compared to \$157.6 million as a result of the items described above. 3. First quarter diluted earnings per share (diluted “EPS”) was \$1.27 compared to \$1.57 in Q1 2022, while adjusted diluted EPS1 was \$1.33 compared to \$1.68. 4. First quarter net cash from operating activities grew to \$232.1 million, up 69% over the prior year period and free cash flow grew to \$195.7 million, up 113% over the prior year period. 5. The Board of Directors approved a \$0.35 quarterly dividend, an increase of 30% acquisition later this year, April 27, 2023, www.todaystrucking.com

33. Reports 2023 First Quarter Financial Results including Record First Quarter Revenue

Mullen Group Ltd., one of Canada's largest logistics providers, on April 27, 2023 reported its financial and operating results for the period ended March 31, 2023, with comparisons to the same period last year. Key highlights for the 2023 first quarter are: 1. Record first quarter revenue of \$497.8 million, up 9.0 percent due to increases in fuel surcharge revenue, incremental revenue from acquisitions and from general rate increases at most Business Units. 2. Operating income before depreciation and amortization (“OIBDA”) of \$77.0 million, up 27.7 percent, primarily due to increases in the LTL segment and the S&I segment. 3. Net income of \$31.7 million, up 93.3 percent and earnings per share up 100.0 percent to \$0.34. 4. Repurchased and cancelled 2,190,173 Common Shares for \$31.6 million representing an average price of \$14.45. 5. Return on equity improved to 13.2 percent.

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, fourth quarter 2022

Tourism spending in Canada grew 2.1% in the 2022 fourth quarter, the seventh consecutive quarterly increase. Tourism gross domestic product (GDP) (+2.1%) and jobs attributable to tourism (+1.5%) also rose in the 2022 fourth quarter. Despite the tourism sector's continued recovery in the 2022 fourth quarter, tourism spending was 16.2% lower than the pre-COVID-19 pandemic levels from the fourth quarter of 2019. By comparison, in the fourth quarter of 2021, tourism spending was 34.8% lower than pre-pandemic levels. Over 2022, this gap narrowed sharply as tourism spending in Canada increased 45.1%, fuelled by a tripling of outlays on passenger air transport compared with 2021. Passenger air transport (+4.6%) contributed the most to the growth in tourism spending in the 2022 fourth quarter, followed by recreation and entertainment (+6.7%) and non-tourism products (+2.0%).

2. Minister of Transport highlights budget investments to make life more affordable

On March 30, 2023, the Minister of Transport, the Honourable Omar Alghabra, was in Scarborough to highlight Budget 2023’s investments in making life more affordable. Canada has made a remarkable recovery from the COVID-19 recession. Canada’s economic growth was the strongest in the G7 over the last year, and by March 2023, 830,000 more Canadians are employed than before the pandemic, including 361,600 in Ontario. Inflation in Canada has fallen for eight months in a row, our unemployment rate is near its record low, and supported by our Canada-wide system of affordable early learning and childcare, the labour force participation rate for women aged 25 to 54 reached at a record high of 85.7 per cent in February. Budget 2023 builds on this important

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, fourth quarter 2022, March 30, 2023, www.statcan.gc.ca
2. Minister of Transport highlights budget investments to make life more affordable, March 30, 2023, www.tc.gc.ca
3. Minister Alghabra highlights budget investments to strengthen public health care, March 31, 2023, www.tc.gc.ca
4. Canadian international merchandise trade, February 2023, April 5, 2023, www.statcan.gc.ca
5. Minister of Transport highlights budget investments to create good middle-class jobs, April 5, 2023, www.tc.gc.ca
6. China-Russia vs. US-EU: How global shipping is slowly splitting in two, April 7, 2023, www.freightwaves.com
7. Russian windfall plunges by \$51 billion as energy cash dries up, April 11, 2023, www.ajot.com
8. Export restrictions may threaten the green transition, OECD says, April 11, 2023, www.ajot.com
9. Minister of Transport highlights budget investments to build Canada’s 21st century clean economy that will create good, middle-class jobs, April 12, 2023, www.tc.gc.ca
10. USDOT Announces Effort to Accelerate Surface Transportation Project Delivery under Inflation Reduction Act, April 12, 2023, www.dot.gov
11. Leading indicator of international arrivals to Canada, March 2023, April 13, 2023, www.statcan.gc.ca
12. Minister of Transport highlights budget investments to make life more affordable, April 13, 2023, www.tc.gc.ca
13. Traffic flow dashboard, April 14, 2023,

progress. Groceries are more expensive today, and for many Canadians, higher prices on essential goods are causing undue stress. To make life more affordable, Budget 2023 delivers the new Grocery Rebate, offering targeted inflation relief for 11 million Canadians and families who need it most. On average, it will help vulnerable people put more affordable food on the table by providing up to an additional \$467 for eligible couples with children; an additional \$234 for single Canadians without children; and an additional \$225 for seniors.

www.statcan.gc.ca

14. Hiring index shows big jump in advertised jobs,

April 20, 2023, www.insidelogistics.ca

15. Travel between Canada and other countries,

February 2023, April 21, 2023, www.statcan.gc.ca

16. Wheat farmers ask Canada to step in as strike threatens exports, April 25, 2023, www.ajot.com

3. Minister Alghabra highlights budget investments to strengthen public health care

On March 31, 2023, the Minister of Transport, the Honourable Omar Alghabra, was in Oshawa, Ontario, to highlight Budget 2023's investments to strengthen public health care. Budget 2023 builds on the important progress and achievements of the recent past. To strengthen Canada's universal public health care system, the budget delivers \$198.3 billion, including \$77.006 billion here in Ontario to reduce backlogs, expand access to family health services, and ensure provinces and territories can provide the high quality and timely health care Canadians expect and deserve. Budget 2023 also introduces a new Canadian Dental Care Plan, to help up to nine million Canadians and ensure no Canadian has to choose between taking care of their health and paying the bills at the end of the month. Budget 2023 delivers a transformative investment to provide dental care to Canadians who need it, with \$13 billion over five years, and \$4.4 billion ongoing, to implement the Canadian Dental Care Plan. The plan would provide dental coverage for uninsured Canadians with annual family income of less than \$90,000, with no co-pays for those with family incomes under \$70,000. The plan will begin to roll out in 2023.

4. Canadian international merchandise trade, February 2023

Following strong increases in January 2023, Canadian merchandise exports and imports decreased in February 2023. Exports were down 2.4%, while imports decreased 1.3%. As a result, Canada's merchandise trade surplus with the world narrowed from \$1.2 billion in January 2023 to \$422 million in February 2023.

5. Minister of Transport highlights budget investments to create good middle-class jobs

On April 5, 2023, the Minister of Transport, the Honourable Omar Alghabra, was in Sault Ste Marie to highlight Budget 2023's investments to create good, middle-class jobs and build a stronger, more sustainable, Canadian economy. Canada has made a remarkable recovery from the COVID-19 recession. Our economic growth was the strongest in the G7 over the last year, and today, 830,000 more Canadians are employed than before the pandemic, including 361,600 in Ontario. Inflation in Canada has fallen for eight months in a row, our unemployment rate is near its record low, and supported by our Canada-wide system of affordable early learning and childcare, the labour force participation rate for women aged 25 to 54 reached at a record high of 85.7 per cent in February. Budget 2023 builds on this important progress and offers a series of major investments to ensure that Canada's clean economy can generate prosperity, well-paying jobs and more vibrant communities across the country. Budget 2023 outlines: 1. An Investment Tax Credit for Clean Electricity; 2. An Investment Tax Credit for Clean Technology Manufacturing; and 3. An Investment Tax Credit for Clean Hydrogen.

6. China-Russia vs. US-EU: How global shipping is slowly splitting in two

Another meeting between a House speaker and Taiwan's president, another spike in tensions in the Taiwan Strait. Last summer's meeting between Taiwan President Tsai Ing-wen and Nancy Pelosi [prompted Chinese live-fire exercises](#). The April 5, 2023 meeting with Speaker Kevin McCarthy prompted another large-scale Chinese military exercise in the Taiwan Strait, with the situation becoming increasingly tense by April 9, 2023. Ever-worsening relations between China and the U.S. — which took yet another big step down after February's spy balloon incident — are part of an evolving story for international trade. Shipping fleets and cargo flows are becoming increasingly bifurcated. In 2022, the World Trade Organization (WTO) warned about a worst-case scenario it called "long-run decoupling" that involved the "disintegration of the global economy into two separate blocs," [highlighting research by Carlos Goes and Eddy Bekkers](#). A WTO working paper [published this January analyzed](#) an outcome called "geopolitical rivalry," featuring a "bipolar trade war" with severe consequences for future GDP and trade volumes.

7. Russian windfall plunges by \$51 billion as energy cash dries up

Russia's current-account surplus shrank last quarter by over \$51 billion from a year earlier, as sanctions increasingly deprive the government of what's been a critical source of hard currency since the invasion of Ukraine. The surplus in the current account — roughly the difference between exports and imports — decreased to \$18.6 billion in the first three months of the year, according to preliminary central bank data published on Tuesday. It's the smallest surplus for any first quarter since 2016. A recovery in imports is combined with a sharp drag on Russia's energy revenues from international restrictions while gas exports to Europe fall. The deterioration in external finances will keep the ruble under strain and add to the urgency for the government and companies to tap new markets for Russian commodity products. The central bank expects the surplus to drop to \$66 billion for the year from a record \$227.4 billion in 2022.

8. Export restrictions may threaten the green transition, OECD says

A sharp increase in export restrictions by countries including China and India on raw materials critical for green technologies has a potentially sizable impact on the global economy and could make climate goals harder to meet, research by the OECD shows. The restrictions — most frequently taxes, but also quantitative limits — have increased more than five-fold in the last decade to a point where 10% of the global value of exports is subject to at least one measure, the OECD said. China, India, Argentina, Russia, Vietnam and Kazakhstan are the top six in terms of new curbs in the last decade. Those are also among the countries many of the OECD's members depend on for supply, the organization said. "The research so far suggests that export restrictions may be playing a non-trivial role in international markets for critical raw materials, affecting availability and prices," researchers Przemyslaw Kowalski and Clarisse Legendre said. "Taking into account OECD dependencies on relevant imports described in this paper, this situation warrants scrutiny." The findings come as the OECD also said a significant scaling up of production and trade in the materials is needed to meet an expected four-to-six-fold increase in demand for the green transition.

9. Minister of Transport highlights budget investments to build Canada's 21st century clean economy that will create good, middle-class jobs

On April 12, 2023, the Minister of Transport, the Honourable Omar Alghabra, visited Accelovant Technologies Corporation in North Vancouver to highlight investments to create good, middle-class jobs and build a stronger, more sustainable, Canadian economy. He indicated that Canada has made a remarkable recovery from the COVID-19 recession and Canada's economic growth was the strongest in the G7 over the last year. Budget 2023 builds on this important progress and offers a series of major investments to ensure that Canada's clean economy can generate prosperity, well-paying jobs and more vibrant communities across the country. Budget 2023 outlines: 1. An Investment Tax Credit for Clean Electricity; 2. An Investment Tax Credit for Clean Technology Manufacturing; and 3. An Investment Tax Credit for Clean Hydrogen.

10. USDOT Announces Effort to Accelerate Surface Transportation Project Delivery under Inflation Reduction Act

As part of an ongoing effort to help deliver surface transportation projects faster, the U.S. Department of Transportation's Federal Highway Administration (FHWA) on April 12, 2023 announced a Request for Information (RFI) seeking public input on environmental review processes that can be improved under the *Inflation Reduction Act*. FHWA will consider ideas and recommendations from public and private stakeholders on how to reduce project delays through the development of more efficient and effective environmental reviews.

11. Leading indicator of international arrivals to Canada, March 2023

The number of international arrivals to Canada—non-resident trips and returning Canadian-resident trips—more than doubled from March 2022 to March 2023, but has not yet reached arrivals recorded before the COVID-19 pandemic in 2019. In March 2023, the 498,500 non-resident arrivals from abroad at Canadian airports equipped with electronic sensors almost doubled those that arrived in March 2022. In March 2023, US-resident trips to Canada through land ports with electronic sensors totalled 693,800, which is 427,200 more trips taken than in March 2022. In March 2023, the 2.0 million Canadian-resident trips returning from abroad via kiosk-equipped airports nearly doubled the total from March 2022. Compared with March 2022, there were over 1 million more Canadian-resident return trips—for a total of 1.7 million—from the United States through land ports with electronic sensors in March 2023.

12. Minister of Transport highlights budget investments to make life more affordable

On April 13, 2023, the Minister of Transport, the Honourable Omar Alghabra visited Sysco Vancouver, in Port Coquitlam, British Columbia, to highlight Budget 2023's investments in making life more affordable. He indicated that Canada has made a remarkable recovery from the COVID-19 recession. Canada's economic growth was the strongest in the G7 over the last year. Budget 2023 builds on this important progress. To make life more affordable, Budget 2023 delivers the new Grocery Rebate, offering targeted inflation relief for 11 million Canadians and families who need it most. Budget 2023 acknowledges the need to mitigate vulnerabilities in our supply chains through targeted investments including \$27 million over five years to establish a Transportation Supply Chain Office. The Supply Chain Office will work in collaboration with industry to respond to disruptions and better coordinate action to increase the capacity, efficiency, and reliability of Canada's transportation supply chain infrastructure. Strengthening Canada's supply chain will help keep money in Canadians pockets and contribute towards building an economy that works for everyone.

13. Traffic flow dashboard

Statistics Canada has launched the Traffic Flow Dashboard as a source of experimental statistics to provide information on the traffic flow on selected road segments in the cities of Calgary and Toronto. This dashboard shows traffic count data that are obtained from traffic camera imagery using a computer vision-based system developed at Statistics Canada's Data Exploration and Integration Lab. The Traffic Flow Dashboard, part of the series Statistics Canada - Data Visualization Products (Catalogue number 71-607-X), is now available.

14. Hiring index shows big jump in advertised jobs

The Conference Board of Canada has launched a new Canadian Hiring Index. It tracks changes in the volume of online job postings across provinces and cities, industries, and occupations over time. It also includes a new measure of labour market tightness. The index increased 6.7 percent month-over-month in March 2023, the highest increase since July 2022. Although the index increased month-over-month, job postings nationally decreased 5.1 percent compared to March 2022. The manufacturing, construction and utilities sectors saw the most notable rise in the Index compared to last month.

15. Travel between Canada and other countries, February 2023

In February 2023, the overall number of international arrivals to Canada—non-resident visitors and returning Canadian residents—remained at over three-quarters (76.2%) of the level from February 2020, before widespread travel restrictions were introduced to combat COVID-19. Residents of overseas countries took almost two and half times as many trips to Canada in February 2023 compared with the same month in 2022, and over four-fifths (81.4%) of the trips taken in February 2020. US residents took 945,100 trips to Canada in February 2023; three times the number taken in February 2022, and 73.8% of those taken in the same month of 2020, before the pandemic. Canadian residents returned from 3.3 million trips abroad in February 2023, triple the number from the same month in 2022 and over three-quarters (76.5%) of the pre-pandemic level from February 2020. For more current estimates of international arrivals to Canada, please see the "Leading indicator of international arrivals to Canada" for the March 2023 reference month.

16. Wheat farmers ask Canada to step in as strike threatens exports

The Wheat Growers Association is calling for the Canadian government to allow outside workers to weigh and inspect grain at a Vancouver port as a massive strike by public sector workers threatens shipments. Unionized inspectors at the Cascadia Terminal have purposely targeted the port, according to a news release by the group, which advocates for farmers. The protests could further tighten global supplies already affected by the war in Ukraine. "A strike is one thing, but to intentionally target a port that is critical to the lives of grain farmers and to the entire Canadian economy is the height of reckless irresponsibility," the group's President, Gunter Jochum, said in the release. Last week Keystone Agricultural Producers of Manitoba and the Agricultural Producers Association of Saskatchewan, also warned the strike could cause delays inspecting grain before it's loaded onto ships as well as disrupt efforts to bring temporary workers into Canada in time for the spring planting season.