

Transportation Information Update*

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AIR TRANSPORTATION

1. History in the making: WestJet celebrates inaugural flight to Tokyo's Narita International Airport

WestJet on April 30, 2023 celebrated the departure of flight WS80 from YYC Calgary International Airport to Tokyo's Narita International Airport. The airline's first-ever service to Asia marks an important milestone for WestJet as the airline reaffirms its Western Canadian growth strategy and commitment to strengthening Alberta's vibrant visitor economy. "We are thrilled to see our new service to Tokyo, Japan take flight as we welcome our newest destination to our 787 intercontinental hub at YYC," said John Weatherill, WestJet Executive Vice-President and Chief Commercial Officer. "Not only does this new route increase opportunities for business, leisure and cargo customers to expand their horizons in Asia, it also provides an exceptional opportunity to welcome transpacific leisure and business travellers direct to Calgary and Alberta."

2. UPS downshifts flight activity as volumes deteriorate

UPS continues to reduce flight activity in its air network to maximize asset utilization and improve efficiency amid deteriorating shipping volumes. Executives said during April 24, 2023 earnings briefing that they are optimizing the domestic air operation and further reducing scheduled flights on the international front in an effort to curb costs. The parcel delivery giant reported [operating profit fell 22% to \\$2.5 billion in the first quarter](#), with average daily package volume down several points from a year ago. International revenue decreased 7%. Management said weakness worsened toward the end of the March period. Asia exports were a notable soft spot as retail sales in the U.S. and other markets decelerated. While international total average daily volume came in 6.2% lower year over year, Asia volume was down 8.9% and included a 20% drop on the China-to-U.S. corridor.

3. Cargojet CEO says softening market forcing cost assessment

Cargojet saw a relatively stable first quarter of 2023, but CEO Ajay Virmani says the company is "realigning" its cost structure to meet current market declines. "Cargojet is not immune to the softening industry trends as well as the macro factors of slower economic growth, higher interest rates and persistent inflation. Therefore, our team is focused on realigning every aspect of our cost structure with the current demand levels, including realigning our network, significantly improving productivity in our maintenance and operational areas and cutting all discretionary expenditures while maintaining industry best on-time-performance," Virmani said in a statement. Revenues for the quarter were down and net income for the quarter was \$30.5 million (net income of \$6.0 million excluding warrant valuation gain) compared to net loss of \$56.4 million in 2022 (net income of \$30.4 million excluding warrant valuation loss).

4. WestJet Group completes acquisition of Sunwing

The WestJet Group on May 1, 2023 announced that it has completed its acquisition of Sunwing Vacations and Sunwing Airlines. The transaction, originally announced in March 2022, combines the two Canadian aviation and

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1. History in the making: WestJet celebrates inaugural flight to Tokyo's Narita International Airport, April 30, 2023, www.westjet.ca
2. UPS downshifts flight activity as volumes deteriorate, April 28, 2023, www.freightwaves.com
3. Cargojet CEO says softening market forcing cost assessment, May 1, 2023, www.insidepogistics.ca
4. WestJet Group completes acquisition of Sunwing, May 1, 2023, www.westjet.ca
5. From Grocery List to Bucket List: Aeroplan and Uber Canada Add New Ways to Earn Points Every Day, May 1, 2023, www.aircanada.ca
6. 2022 Annual and 4th Quarter U.S. Airline Financial Data, May 1, 2023, www.bs.gov
7. WestJet and Unifor agreement ratified, May 3, 2023, www.westjet.ca
8. Air Canada and Bell on May 3, 2023 announced a multi-year partnership that will make it even easier to stay connected, — both on the ground and in the skies. May 3, 2023, www.aircanada.ca
9. U.S. Airlines' March 2023 Fuel Cost per Gallon Down 9.6% from February 2023; Aviation Fuel Consumption Up 1.3% from Pre-Pandemic March 2019, May 3, 2023, www.bts.gov
10. Porter launches summer schedule at Pearson Airport, May 4, 2023, www.flyporter.com
11. Air Cargo Declines Moderate in March, May 3, 2023, www.iata.org
12. The International Air Transport Association (IATA) announced strong demand growth in air travel for March 2023, May 4, 2023, www.iata.org
13. Statement On The End Of COVID As An International Public Health Emergency, May 5, 2023, www.iata.org
14. Air Canada Cargo Launches New Website with Improved Functionalities for Customers, May 8, 2023, www.aircanada.ca
15. DOT to Propose Requirements for Airlines to Cover Expenses and Compensate Stranded Passengers, May 8, 2023, www.dot.gov
16. Porter adds Vancouver as first Western Canada non-stop route from Ottawa, May 9, 2023, www.flyporter.ca
17. US Proposed Passenger Compensation Rule Will Raise Costs but Not Solve Delays, May 9, 2023, www.iata.org

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leisure travel success stories, and will bring greater choice, competitive airfares and increased direct access to sun destinations to Canadian travellers. In addition, it positions Sunwing to continue its growth across Canada and permits the newly merged company to protect jobs. Initially, the airlines will continue independent operations, maintaining a sharp focus on providing an exceptional guest experience and ensuring safe operations. As the two entities transition from competitors to collaborators, the combination of these businesses will be planned in a way that positions Sunwing as an instrumental pillar of the WestJet Group, and prioritizes the experience of a growing number of guests.

5. From Grocery List to Bucket List: Aeroplan and Uber Canada Add New Ways to Earn Points Every Day

Aeroplan is pleased to announce the latest evolution of its loyalty partnership with Uber Canada, giving Aeroplan members the opportunity to earn even more from linking their Aeroplan with their Uber/Uber Eats account in Canada. Starting May 3, 2023 Aeroplan members can earn 1 Aeroplan point per \$1 spent on eligible orders in the Grocery and Retail sections of the Uber Eats app, with no minimum spend required. The launch provides a new way to earn Aeroplan points with national and regional grocers and retailers. In addition, members can take advantage of the following offers after linking their Aeroplan account with their Uber/Uber Eats account in Canada:

6. 2022 Annual and 4th Quarter U.S. Airline Financial Data

U.S. scheduled passenger airlines reported a 2022 after-tax net profit of \$1.6 billion, gaining after two consecutive annual after-tax losses and a pre-tax operating profit of \$7.9 billion, gaining after two consecutive annual pre-tax losses.

7. WestJet and Unifor agreement ratified

On May 3, 2023, the first collective bargaining agreement between WestJet and the Unifor bargaining unit at YYZ was ratified by Unifor's members. Unifor is the certified union representing WestJet airport employees at Toronto Pearson International Airport. "WestJet is pleased to share that the agreement negotiated with Unifor has been ratified by its membership," said Diederik Pen, WestJet Executive Vice-President and Chief Operating Officer. "This settlement demonstrates WestJet's commitment to its employees, the long-term success of the airline and the communities we serve." The agreement will come into effect June 1, 2023 and will be in place until December 31, 2026.

8. Air Canada and Bell on May 3, 2023 announced a multi-year partnership that will make it even easier to stay connected — both on the ground and in the skies.

The partnership delivers on Air Canada and Bell's longstanding commitments to elevating the customer experience, while focusing on added benefits for newcomers and visitors to Canada, preparing them to connect to Canada's best network as soon as they land. Starting May 15, 2023 Air Canada and Bell will offer free messaging for all Aeroplan members worldwide on all Wi-Fi equipped aircraft across Air Canada's fleet, including Air Canada Rouge and Air Canada Express flights. This offering will enable customers to send and receive text-based messages via onboard Wi-Fi using popular messaging apps including Apple's iMessage, Meta's WhatsApp and Messenger, Rakuten's Viber, and Messages by Google. Also, this benefit will be available to strategic partner airline loyalty members.

9. U.S. Airlines' March 2023 Fuel Cost per Gallon Down 9.6% from February 2023; Aviation Fuel Consumption Up 1.3% from Pre-Pandemic March 2019

18. U.S. Cargo and Passenger Airlines Added 2,544 Jobs in March 2023; Employment Remains 8.2% Above Pre-Pandemic March 2019, May 10, 2023, www.bts.gov
19. Air Canada Reports First Quarter 2023 Financial Results, May 12, 2023, www.aircanada.ca
20. WestJet solidifies role as Winnipeg's leading airline with announcement of direct service to Atlanta, May 11, 2023, www.westjet.ca
21. WorldACD Weekly Air Cargo Trends (week 18), May 12, 2023, www.ajot.com
22. February 2023 U.S. Airline Traffic Data, May 11, 2023, www.bts.gov
23. The WestJet Group issues lockout notice in response to ALPA's strike notification, May 15, 2023, www.westjet.ca
24. Air Canada Cargo and Emirates SkyCargo Continue to Enhance Interline Cooperation, May 16, 2023, www.aircanada.ca
25. Safety warning regarding illegal and dangerous drone use near firefighting operations in Western Canada, May 14, 2023, www.tc.gc.ca
26. Air Canada and flydubai Unveil Partnership Expanding Footprint Between Canada and the Middle East, East Africa, Indian Subcontinent and Southern Asia, May 17, 2023, www.aircanada.ca
27. Air Canada nears Boeing 787 deal as widebody demand jumps, May 18, 2023, www.ajot.com
28. Air Canada Partners with IAGOS to Equip an Airbus A330 with Climate and Air Quality Sensors, May 17, 2023, www.aircanada.ca
29. Porter Airlines touches down in Charlottetown, confirms year-round service, May 17, 2023, www.flyporter.com
30. Air Travel Consumer Report: January 2023 Airline Complaint Data, May 17, 2023, www.dot.gov
31. The WestJet Group begins flight cancellations in anticipation of WestJet and Swoop pilot strike, May 18, 2023, www.westjet.ca
32. The WestJet Group and ALPA reach tentative agreement, May 19, 2023, www.westjet.ca
33. Air Canada to Launch Non-stop Toronto-Yellowknife Service, May 19, 2023, www.aircanada.ca
34. American-JetBlue alliance is blocked as anticompetitive, May 20, 2023, www.ajot.com
35. Air Canada Reports Strong Operational Performance to begin Summer Travel Season, May 23, 2023, www.aircanada.ca
36. Minister of Transport announces new Verified Traveller program to improve the security screening experience for eligible travellers, May 23, 2023, www.tc.gc.ca; and Canada's Airport Council Supports Verified Traveller Program, May 23, 2023, www.cacairports.ca
37. Air Canada Cargo Inaugurates Freighter Service into Punta Cana International Airport, May 23, 2023, www.aircanada.ca
38. Air Travel Consumer Report: March 2023 and 1st Quarter 2023 Numbers, May 23, 2023,

The Department of Transportation's Bureau of Transportation Statistics (BTS) on May 3, 2023 released U.S. airlines' March 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.545 billion gallons of fuel, 18.2% more fuel than in February 2023 (1.307 billion gallons) and 1.3% more than in pre-pandemic March 2019. The cost per gallon of fuel in March 2023 (\$2.91) was down 32 cents (9.6%) from February 2023 (\$3.23) and up \$0.89 (43.9%) from March 2019. Total March 2023 fuel expenditure (\$4.50B) was up 6.8% from February 2023 (\$4.22B) and up 45.7% from pre-pandemic March 2019. Year-over-year changes in fuel consumption and cost for March 2023 include 8.6% increase in domestic fuel consumption, 5.0% increase in domestic fuel cost, and 3.3% decrease in cost per gallon. Domestic fuel consumption increased 17.4% from February 2023 to March 2023, while increasing 3.2% from March 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

10. Porter launches summer schedule at Pearson Airport

Porter Airlines is launching its summer schedule at Toronto Pearson International Airport (YYZ), with additional flexibility when travelling between YYZ and Ottawa (YOW), Montreal (YUL), Halifax (YHZ), Vancouver (YVR), Edmonton (YEG) and Calgary (YYC). The new schedule comes into effect on June 1, 2023 adding more desirable flight times that are well-distributed throughout the day. Certain routes will see a further increase in flights by August. A greater number of coast-to-coast connecting flight options via Porter's YYZ hub are also created with this new schedule.

11. Air Cargo Declines Moderate in March

The International Air Transport Association (IATA) released data for March 2023 global air cargo markets showing a continued decline against previous year's demand performance. This trend began in March 2022. 1. Global demand, measured in cargo tonne-kilometers (CTKs*), fell 7.7% compared to March 2022 (-8.1% for international operations). This was a slight improvement over the previous February's performance (-9.4%) and half the rate of annual decline seen in January and December (-16.8% and -15.6% respectively). At this point, it is unclear if this is a potentially modest start of an improvement trend or the upside of market volatility. Irrespective of this, March performance slipped back into negative territory compared to pre-COVID levels (-8.1%). 2. Capacity (measured in available cargo tonne-kilometers, ACTK) was up 9.9% compared to March 2022. The strong uptick in ACTKs reflects the addition of belly capacity as the passenger side of the business continues to recover.

12. The International Air Transport Association (IATA) announced strong demand growth in air travel for March 2023.

Total traffic in March 2023 (measured in revenue passenger kilometers or RPKs) rose 52.4% compared to March 2022. Globally, traffic is now at 88.0% of March 2019 levels. **Domestic traffic** for March rose 34.1% compared to the year-ago period. Total March 2023 domestic traffic was at 98.9% of the March 2019 level. **International traffic** climbed 68.9% versus March 2022 with all markets recording healthy growth, led once again by carriers in the Asia-Pacific region. International RPKs reached 81.6% of March 2019 levels while the load factor at 81.3% exceeded the March 2019 level by 10.1 percentage points. "The calendar year first quarter ended on a strong note for air travel demand. Domestic markets have been near their pre-pandemic levels for months. And for international travel two key waypoints were topped. First, demand increased by 3.5 percentage points compared to the previous month's growth, to reach 81.6% of pre-COVID levels. This was led by a near-tripling of demand for Asia-Pacific carriers as China's re-opening took hold. And efficiency is improving as international load factors reached 81.3%. Even more importantly, ticket sales for both domestic and international travel give every indication that strong growth will continue into the peak Northern Hemisphere summer travel season," said Willie Walsh, IATA's Director General.

13. Statement On The End Of COVID As An International Public Health Emergency

The International Air Transport Association (IATA) responded to a statement from the Director General of the World Health Organization at the conclusion of the 15th meeting of the International Health Regulations, in which he declared that COVID was no longer a public health emergency of international concern (PHEIC). "It is good news that the WHO has formally recognized that COVID no longer represents a public health emergency of international concern. Recent decisions, for example by the Chinese and US governments to relax the last remaining COVID restrictions on travel, are evidence that the world is doing its best to get back to normal. But it is important that we never forget what a terrible disaster the pandemic has been. Most of all it was a tragedy for families that lost loved ones, but it has also been an economic and social disaster on a scale and with consequences that still remain to be properly understood. That

www.dot.gov

39. Minister of Transport announces new funding for essential equipment for Region of Waterloo International Airport, May 25, 2023, www.tc.gc.ca

40. Monthly civil aviation statistics, March 2023, May 25, 2023, www.statcan.gc.ca

41. Aircraft movement statistics: Major and select small airports, March 2023, May 25, 2023, www.statcan.gc.ca

42. Air Canada Unveils its Most Comprehensive Winter Sun Schedule to Popular Vacation Destinations, May 25, 2023, www.aircanada.ca

43. Porter Airlines awarded APEX Passengers Choice for Best North American Cabin Service, May 25, 2023, www.flyporter.com

44. Brace for sticker shock this summer as high demand drives international airfares to five-year highs, May 28, 2023, www.nationalpost.ca

is why it is so important to learn the lessons of this pandemic to make sure that we are better prepared to manage future health emergencies with much less destruction of lives and livelihoods.

14. Air Canada Cargo Launches New Website with Improved Functionalities for Customers

Air Canada Cargo on May 8, 2023 unveiled its revamped website at aircanadacargo.com, with new tools that will improve the customer experience and an updated design to better reflect the Air Canada Cargo brand. "Air Canada Cargo has been undergoing a huge technological push in recent years and the new website is the latest major advancement in how we are constantly working to improve our offering to our valued customers. Featuring a more intuitive interface, improved functionalities and tools, the website now provides convenient and relevant tools for our customers, ensuring their experience is efficient and provides the value they have come to expect from us," said Matthieu Casey, Managing Director, Commercial, at Air Canada Cargo. Air Canada Cargo's global schedule comprising its freighter aircraft, the belly capacity of Air Canada's passenger fleet and trucking services now conveniently allows users to filter and search with multiple metrics and output in various formats. Our customers always have the most current information possible and tailored to their needs. The new website also now features an interactive map tool, showing all destinations served by Air Canada Cargo, allowing customers to see where new stations are added as the network continues to grow as more freighters are brought online. The new tools added to the website include an online Air Canada Cargo account application feature, and customers can also now easily track their shipments. This is the initial phase of the website's modernization, with more updates to be rolled out over the course of the year.

15. DOT to Propose Requirements for Airlines to Cover Expenses and Compensate Stranded Passengers

The U.S. Department of Transportation (DOT) on May 8, 2023 announced plans to launch a new rulemaking that is aimed at requiring airlines to provide compensation and cover expenses for amenities such as meals, hotels, and rebooking when airlines are responsible for stranding passengers. After a two-year DOT push to improve the passenger experience, the ten largest airlines guarantee meals and free rebooking on the same airline and nine guarantee hotel accommodations as part of the Department's Airline Customer Service Dashboard. DOT expanded the dashboard on May 8, 2023 at FlightRights.Gov to highlight which airlines currently offer cash compensation, provide travel credits or vouchers, or award frequent flyer miles when they cause flight delays or cancellations. DOT's planned rulemaking would make passenger compensation and amenities mandatory so that travelers are taken care of when airlines cause flight disruptions.

16. Porter adds Vancouver as first Western Canada non-stop route from Ottawa

Porter Airlines is adding the West Coast to its growing list of non-stop routes from the nation's capital with new service between Ottawa International Airport (YOW) and Vancouver International Airport (YVR). The addition of the Ottawa-Vancouver route provides another way to travel between Porter's extensive regional Eastern Canada network and British Columbia. The new route begins on July 26, with one daily roundtrip flight operated with the state-of-the-art 132-seat Embraer E195-E2 aircraft.

17. US Proposed Passenger Compensation Rule Will Raise Costs but Not Solve Delays

The International Air Transport Association (IATA) criticized the decision by the US Department of Transportation (DOT) and the Biden Administration to raise the cost of air travel by mandating airlines provide financial compensation to travelers for flight delays and cancellations, in addition to their current care offerings. According to May 17, 2023 announcement, the rule will be issued later this year. DOT's Cancellation and Delay Scoreboard shows that the 10 largest US carriers already offer meals or cash vouchers to customers during extended delays, while nine of them also offer complimentary hotel accommodations for passengers affected by an overnight cancellation.

18. U.S. Cargo and Passenger Airlines Added 2,544 Jobs in March 2023; Employment Remains 8.2% Above Pre-Pandemic March 2019

U.S. airline industry (passenger and cargo airlines combined) employment increased to 793,779 workers in March 2023, 2,544 (0.32%) more workers than in February 2023 (791,235) and 59,895 (8.16%) more than in pre-pandemic March 2019 (733,884). U.S. scheduled-service passenger airlines employed 512,927 workers in March 2023 or 65% of the industry-wide total. Passenger airlines added 4,477 employees in March 2023 for a twenty-third consecutive month of job growth dating back to May 2021. United led scheduled passenger carriers, adding 1,289 employees; Southwest added 977, and Delta added 954. U.S. cargo airlines employed 276,072 workers in March 2023, 35% of the industry total. Cargo carriers lost 1,927 employees in March. FedEx, the leading air cargo employer, decreased employment by 1,861 jobs.

19. Air Canada Reports First Quarter 2023 Financial Results

Air Canada on May 12, 2023 reported its first quarter 2023 financial results. "Air Canada's impressive first quarter performance reflects the strength of our brand, the very strong demand environment across all markets and the effective execution of our strategic plan. When compared to the same quarter in 2022, passenger revenues more than doubled and hit a first quarter record of close to \$4.1 billion, supported by our diversified network and our strong international

franchise. Adjusted EBITDA surged by \$554 million to \$411 million, and our adjusted CASM fell nearly seven per cent from a year ago," said Michael Rousseau, President and Chief Executive Officer of Air Canada. The highlights of the first quarter of 2023 were as follows: 1. Record first quarter passenger revenues of \$4.088 billion, more than double the first quarter of 2022, on a 53 per cent increase in operated capacity; 2. Record first quarter operating revenues of \$4.887 billion, 90 per cent higher than first quarter 2022 and about 10 per cent higher than first quarter 2019; 3. Operating loss of \$17 million, improved from an operating loss of \$550 million in the first quarter of 2022; 4. Adjusted EBITDA of \$411 million with adjusted EBITDA margin of 8.4 per cent; 5. Cash flows from operations of \$1.437 billion; 6. Total liquidity of over \$10.5 billion at March 31, 2023. The President said "Our first quarter financial results exceeded both internal and external expectations and we expect demand to persist, supported by strong advance bookings for the remainder of the year. For this reason, as well as lower-than-expected fuel costs, we increased our 2023 adjusted EBITDA guidance last week. I thank all employees for their continued focus on improving all aspects of our company through effective and positive teamwork, and our customers for their loyalty."

20. WestJet solidifies role as Winnipeg's leading airline with announcement of direct service to Atlanta

WestJet on May 11, 2023 celebrated the announcement of its nonstop transborder service between Winnipeg and Atlanta. The new route will commence on September 6, 2023, operating five times weekly, on a year-round basis. The new route which will unlock direct connectivity between Manitoba to the southeast United States and beyond while furthering the airline's commitment to boosting economic growth by significantly strengthening the province's air access. WestJet's latest addition to its Winnipeg service was celebrated May 11, 2023 at a special event held at Price Industries, with notable guests and partners from across the province including the Honourable Heather Stefanson, Premier of Manitoba; Nick Hays, President and CEO, Winnipeg Airports Authority; Scott Gillingham, Mayor of Winnipeg; and Dayna Spiring, President and CEO of Economic Development Winnipeg.

21. WorldACD Weekly Air Cargo Trends (week 18)

Global tonnages have dropped sharply in the first week of May 2023, due to the May 1st public holiday in most countries of the world, after a more or less stable picture in last week's report, according to the latest weekly figures from WorldACD Market Data, with rates only slightly impacted. Figures for week 18 (1st May to 7th May) show a drop of -10% in tonnages and a decrease of -2% in average global air cargo prices, week on week – based on the more than 400,000 weekly transactions covered by WorldACD's data. Comparing weeks 17 and 18 with the preceding two weeks (2Wo2W), overall tonnages decreased by -4% versus their combined total in weeks 15 and 16, and average worldwide rates remained stable, with flat capacity. At a regional level, almost all origin regions showed a downward trend in tonnages, with Asia Pacific, Europe, and Central & South America being impacted by the May 1st holiday.

22. February 2023 U.S. Airline Traffic Data

U.S. airlines carried 64.6 million (unadjusted for seasonality) systemwide (domestic and international) scheduled service passengers in February 2023, according to the Bureau of Transportation Statistics' (BTS). When adjusted for seasonality, February enplanements are up 1.1% from January and down 1.6% from the all-time high in January 2020. BTS reported 56.5 million domestic passengers and 8.0 million international passengers on U.S. airlines flights in February, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 and complete data since 2000.

23. The WestJet Group issues lockout notice in response to ALPA's strike notification

The WestJet Group on May 15, 2023 has issued a lockout notice to the Air Line Pilots Association (ALPA), the union that represents WestJet and Swoop pilots, in response to their strike notification. A work stoppage could occur as early as Friday, May 19, 2023, at 3 a.m. MT. "The decision to issue a lockout notice, in response to the actions taken by the union today, was not one that was made lightly, and we sincerely regret the inconvenience and uncertainty this continues to cause for our guests," said Alexis von Hoensbroech, WestJet Group, Chief Executive Officer. "It is our responsibility to ensure the safety and complete control of our network at all times, to minimize the risk of stranding our guests, our crews and our aircraft. Our commitment and priority remains at the bargaining table, where we will continue to work around the clock to come to a reasonable agreement as soon as possible, in an effort to prevent labour action." Issuing notice does not mean a work stoppage will occur. However, in the coming days, the WestJet Group will take all necessary actions to manage the impacts as much as possible, including: 1. Beginning preparations to operate a reduced schedule – unfortunately, this will be a significant reduction from WestJet and Swoop's current networks. 2. Managing proactively changes and cancellations, to ensure the ability to communicate with guests in advance of changes. 3. Providing flexible change and cancel options for those who wish to make alternate arrangements.

24. Air Canada Cargo and Emirates SkyCargo Continue to Enhance Interline Cooperation

Air Canada Cargo on May 16, 2023 announced that customers can now easily find and book interline cargo shipments through the Emirates SkyCargo flights, including between the Americas and Southeast Asia and India, through key European hubs. The enhanced online booking capabilities now live, enable Air Canada Cargo customers to book shipments that will travel on Emirates SkyCargo flights on an interline basis via AirCanadaCargo.com, WebCargo,

Cargo-One and CargoAI as well as our direct connect customers. “We are excited to see these continued improvements to further enhance the user experience for both Air Canada Cargo customers and Emirates SkyCargo customers. This strong partnership will continue to evolve in ways that bring tremendous value to the forwarding community, and this is yet another great step in that direction,” said Matthieu Casey, Managing Director, Commercial, at Air Canada Cargo. This latest development follows the Memorandum of Understanding (MoU) signed in February 2023 between the two major airlines regarding interline cooperation and also builds on the broader strategic commercial partnership between Air Canada and Emirates, which was announced last year. Air Canada Cargo will have access to Emirates SkyCargo’s high frequency distribution network through the belly-hold of Emirates scheduled passenger flights to over 140 global destinations, as well as the additional capacity offered by 11 freighters currently in the Emirates fleet. In return, customers booking with SkyCargo will have access to over 60 cities in Canada and more than 150 cities across five continents through Air Canada Cargo thanks to a fleet of Boeing 767 freighters and the belly-hold capacity of Air Canada’s scheduled passenger flights.

25. Safety warning regarding illegal and dangerous drone use near firefighting operations in Western Canada

Transport Canada is closely monitoring the wildfires throughout British Columbia, Alberta and the Prairies, and their impact on the national transportation system. The department remains in continuous contact with local authorities, and the Government of Canada will be there for impacted communities. In order to ensure everyone stays safe, the department wants to remind the public that: 1. You cannot operate an aircraft or a drone within 9.3 km of wildfires. It is illegal, you could be impeding firefighting operations, and you could be subject to a fine and/or jail time. 2. If unauthorized drones are present, firefighting aircraft must be grounded and crews must suspend operations. This puts lives and communities at great risk. 3. If you see unsafe or illegal drone use, report it to local law enforcement. Provide as much information as possible so that incidents can be reviewed more effectively (for example, clear photos or videos, date, time, drone type, other identifying marks, etc.). All travellers should exercise caution around fires.

26. Air Canada and flydubai Unveil Partnership Expanding Footprint Between Canada and the Middle East, East Africa, Indian Subcontinent and Southern Asia

On May 17, 2023, Air Canada and flydubai announced a new partnership to give customers flying between Canada, the Middle East, East Africa, Indian Subcontinent and Southern Asia more convenient travel options. Pending final regulatory approval, Air Canada's marketing code will be placed on nine routes operated from Dubai by flydubai, giving customers the ability to travel to these markets with the issuance of a single ticket. The routes include the Middle Eastern cities of Medina, Dammam, Bahrain, Jeddah, and Muscat, as well as flights to Colombo, and Karachi on the Indian Subcontinent. Additionally, through an interline arrangement, customers will be able to seamlessly connect in Dubai to more than 60 destinations that flydubai flies to in the Middle East, East Africa and Southern Asia – including Kathmandu, Djibouti and the Maldives. Of these destinations, more than 30 are unique to flydubai and not flown by other partners of Air Canada. "Air Canada is very pleased to partner with flydubai, further expanding our connectivity to the Middle East and the Indian subcontinent, a growing source of immigration and travel to Canada. This new partnership is a perfect complement to Air Canada's non-stop service to Dubai from Toronto and Vancouver, and growing our relationship with Emirates, flydubai's codeshare partner. Together we look forward to bringing together our networks and building a better experience for our customers," said Mark Galardo, Executive Vice President, Revenue and Network Planning at Air Canada.

27. Air Canada nears Boeing 787 deal as widebody demand jumps

Air Canada is closing in on a deal for as many as 20 Boeing Co. 787 Dreamliners to renew and expand its long-haul fleet, according to people familiar with the matter, in the latest sign of surging demand for large commercial jets. The Canadian carrier is near an agreement to order between 15 and 20 of the twin-aisle aircraft, said the people, who asked not to be identified because the discussions are confidential. The 787 carries a list price of just under \$300 million for the variant most-used by Air Canada, suggesting a deal value of up to \$6 billion before typical industry discounts. “We have not made any decisions,” Peter Fitzpatrick, Air Canada’s spokesman, said in an email. A Boeing representative declined to comment. Amos Kazzaz, the Canadian airline’s chief financial officer, told analysts in a conference call that the airline is “constantly in the market looking for lift” as demand picks up. Air Canada would join other airlines locking in delivery positions on the latest generation of wide-body jets as long-distance flying rebounds from a prolonged slump caused by the coronavirus pandemic. United Airlines Holdings Inc. unveiled an order for 100 Dreamliners along with an equal number of options in December 2022. Recent customers include the Kingdom of Saudi Arabia, which is starting a new airline, and Air India, which took both Boeing and Airbus SE widebodies as part of its massive 470-plane deal in February. Large aircraft orders are likely to be in the spotlight next month at the Paris Air Show, the industry’s biggest gathering. Boeing’s shares extended gains following Bloomberg’s report, rising 3.6% in New York. Air Canada was up 5.3%.

28. Air Canada Partners with IAGOS to Equip an Airbus A330 with Climate and Air Quality Sensors

Air Canada announced on May 17, 2023 that one of its Airbus A330 aircraft has been outfitted with special diagnostics sensors in partnership with In-Service Aircraft for a Global Observing System (IAGOS), an international non-profit organization that utilizes commercial aircraft as a global observation platform of climate change and air quality. This collaboration will allow IAGOS to collect valuable worldwide data on climate parameters, which will be used by the international scientific community as well as forecasting services like the Atmosphere Service of Copernicus, for essential research on climate change and air quality on a global scale. "As a leading global airline, we are proud to partner with IAGOS to advance their important climate research work. Air Canada is committed to full-scale sustainability and working with IAGOS is a meaningful way we can contribute to the collection of valuable, global data on climate parameters for further science research. The information gathered will also help provide more accurate weather data crucial for airline operations, and will enable a more in-depth understanding of changing weather dynamics," said Valerie Durand, Head of Investor Relations and Corporate Sustainability at Air Canada.

29. Porter Airlines touches down in Charlottetown, confirms year-round service

Porter Airlines is inaugurating flights between Ottawa International Airport (YOW) and Charlottetown Airport (YYG) on May 17, 2023, while also confirming plans to serve the route year-round. As Porter arrives in Prince Edward Island, the airline now flies to all Atlantic provinces for the first time, reinforcing a commitment to building its presence in Eastern Canada. Porter is the only airline offering year-round, daily non-stop service between Charlottetown and Ottawa. The direct service begins with 11 weekly flights, increasing to 14 weekly round trips during the summer peak season. As of Oct. 29, 2022 the route has daily service through the winter. Ottawa also acts as a convenient connecting point for travellers making their way to and from PEI. This includes Vancouver on the West Coast and two options for accessing Toronto - the downtown convenience of Billy Bishop Toronto City Airport, plus Pearson International.

30. Air Travel Consumer Report: January 2023 Airline Complaint Data

The U.S. Department of Transportation on May 17, 2023 released its updated March 2023 Air Travel Consumer Report (ATCR), which includes airline consumer complaint data for January 2023. The previous version of this report excluded this data due to additional time needed to review and process consumer complaints. In January 2023, DOT received 10,822 airline service complaints from consumers, down 35.9% from the 16,876 complaints received in December 2022, but up 111.7 % from the 5,113 complaints received in January 2022. Almost a quarter (23.4%) of the complaints received in January 2023 were against Southwest Airlines (2,534 complaints). Of the 10,822 complaints received in January 2023, 7,754 (71.7%) were against U.S. carriers, 2,596 (24.0%) were against foreign air carriers, and 469 (4.3%) were against travel companies.

31. The WestJet Group begins flight cancellations in anticipation of WestJet and Swoop pilot strike

As the WestJet Group prepares for labour action by WestJet and Swoop pilots, the airline has started taking down its network. This action ensures the airline can avoid abandoning aircraft in remote locations without support and enables the proactive communication with guests and crew to minimize the potential for being stranded. The decision to cancel flights comes as the WestJet Group remains in a stalemate with the union regarding unreasonable wage expectations that if realized would permanently damage the financial viability of the group's future. "We are extremely disheartened to find ourselves in a place where we have to activate our contingency plan and subsequent takedown of our network as a result of the strike notice served by ALPA and their inability to accept a reasonable offer. We deeply regret the disruption this will have on the travel plans of our guests and the communities and businesses that rely on our critical air service," said Alexis von Hoensbroech, Chief Executive Officer, the WestJet Group. "We remain at a critical impasse with the union and have been left with no choice but to begin taking the painful steps of preparing for the reality of a work stoppage."

32. The WestJet Group and ALPA reach tentative agreement

The WestJet Group and the Air Line Pilots Association (ALPA), the certified union representing WestJet and Swoop pilots, on May 19, 2023 announced they have reached a tentative agreement on the second collective bargaining agreement between the organizations. Both parties now await the ratification vote to be put forward to membership. "The WestJet Group is pleased to have reached a tentative agreement that is industry-leading within Canada and recognizes the important contributions of our valued pilots by providing meaningful improvements to job security and scope, working conditions and wages," said Alexis von Hoensbroech, WestJet Group Chief Executive Officer. "We appreciate we were able to arrive at a deal, however, recognize the impact on our guests and we sincerely appreciate their patience during this time. We are pleased to now return our focus to providing friendly, reliable and affordable air service to Canadians for years to come." The WestJet Group is ramping up its operations as quickly and efficiently as possible, however the full resumption of operations will take time. Guests remain encouraged to continue to check the status of their flights before heading to the airport.

33. Air Canada to Launch Non-stop Toronto-Yellowknife Service

Air Canada on May 19, 2023 announced it will begin non-stop, year-round service between Toronto and Yellowknife in December 2023. The new, three-times weekly service will provide convenient connections between eastern Canada and

the capital of the Northwest Territories. Customers will also be able to seamlessly connect onward from Yellowknife on Air Canada's interline partner, Canadian North. "The North has a magical attraction and Air Canada is pleased to make it easier for customers to visit Yellowknife and beyond, beginning at a time when the Northern Lights are on full display. But apart from supporting tourism to the city and region, this new route will also be valuable to business travellers and the economy, linking Yellowknife directly to Canada's financial capital. As well, flights are timed for easy connections through our Toronto global hub to elsewhere in eastern Canada, the U.S., and to winter sun destinations, while from Yellowknife customers can travel onward conveniently on our interline partner, Canadian North," said Mark Galardo, Executive Vice President, Revenue and Network Planning at Air Canada.

34. American-JetBlue alliance is blocked as anticompetitive

American Airlines Group Inc. and JetBlue Airways Corp. must dissolve a partnership covering flights across the northeastern US, after a federal judge agreed with antitrust enforcers that the alliance would reduce competition and boost fares for consumers. The Northeast Alliance, "operating as it was designed and intended by American and JetBlue, substantially diminishes competition in the domestic market for air travel," US District Judge Leo Sorokin said in a ruling on May 19, 2023. The agreement has replaced "full-throated competition with broad cooperation," he said, thereby hurting customers. The decision, which follows a month long trial that ended in November 2022, hands a win to the Justice Department, which argued that the alliance, formed in 2020, gives the carriers too much control over competition in Boston and New York City and has led to higher prices. The judge permanently blocked the airlines from further implementing the tie-up, effective 30 days from the order. "We believe the decision is wrong and are considering next steps," American said in a statement. "The court's legal analysis is plainly incorrect and unprecedented for a joint venture like the Northeast Alliance. There was no evidence in the record of any consumer harm from the partnership and there is no legal basis for inferring harm simply from the fact of collaboration." JetBlue said the partnership was "a huge win for customers" and added it's also evaluating its next action. "Today's decision is a win for Americans who rely on competition between airlines to travel affordably," Attorney General Merrick Garland said in a statement from the Justice Department. The airlines can appeal the decision.

35. Air Canada Reports Strong Operational Performance to begin Summer Travel Season

Air Canada on May 23, 2023 reported a strong operational performance to begin the summer travel season. Approximately 540,000 customers flew with the carrier between May 19 and 22, the May long weekend in Canada that traditionally marks the start of the summer travel season. "I am very pleased by the performance of our airline during the first long weekend of the summer. We carried heavy loads, with 540,000 customers and our mainline aircraft 95% full on Friday [May 19, 2023], yet we achieved a flight completion ratio of 98.7% and a solid on-time performance that reached 90 per cent Sunday [May 21, 2023] morning. Although system-wide weather was favourable, we did face several challenges, including wildfires in Western Canada, weather disruptions in the southern U.S. and even a volcano in Mexico that all affected flights," said Kevin O'Connor, Senior Vice President, Global Airports and Operational Control at Air Canada. "I thank all our employees for their hard work and dedication to serving our customers and transporting them safely. I also commend our industry partners, upon whom we depend for the air travel system to operate smoothly. While sustained high passenger loads of the season are yet to fully arrive, our success during the first holiday weekend gives us added confidence that we are ready to perform well this summer."

36. Minister of Transport announces new Verified Traveller program to improve the security screening experience for eligible travellers and Canada's Airport Council Supports Verified Traveller Program

On May 23, 2023, the Minister of Transport, the Honorable Omar Alghabra, announced that the Canadian Air Transport Security Authority (CATSA) will soon be launching a new Verified Traveller program that will offer a faster and more efficient screening experience for eligible travellers at select airports across Canada. This new Verified Traveller program will replace the current Trusted Traveller program. By June 21, 2023, dedicated Verified Traveller screening lines will be available at select domestic and international checkpoints in the following airports: Vancouver International Airport; Edmonton International Airport; Calgary International Airport; Winnipeg International Airport; Toronto-Pearson International Airport T1 and T3; and Montreal-Trudeau International Airport. The new Verified Traveller program will help ease congestion over time, as use of dedicated Verified Traveller lines grows. The new lines provide eligible travellers with select benefits at security screening checkpoints, such as keeping laptops, large electronics and compliant liquids and gels in their carry-on, and keeping their shoes, belt and light jacket on. The Canadian Airports Council (CAC) President, Monette Pasher, on May 23, 2023 issued the following statement: "The Canadian Airports Council welcomes today's announcement regarding the roll out of risk-based screening in Canada. The Verified Traveller Program is an important step forward that will help travellers move smoothly through security at six airports, reducing processing times and improving the overall passenger journey for pre-approved travellers. Canada's Airports have been requesting risk-based screening for years, we are encouraged by this progress announced today. We look forward to working with government and CATSA on the next step of expanding this program to more

Canadian airports and creating a true domestic trusted traveller program so that more Canadians can take advantage of faster screening.”

37. Air Canada Cargo Inaugurates Freighter Service into Punta Cana International Airport

Air Canada and Air Canada Cargo on May 22, 2023 operated its first commercial flight into Punta Cana, Dominican Republic, with its Boeing 767 freighter. The service will be operated once per week. “We are excited to add yet another destination to our expanding freighter network. This new service builds upon our capabilities to serve the island through Air Canada’s passenger network, providing consistent year-round cargo capacity for our key customers in the region,” said Jon Turner, Vice President, Cargo at Air Canada. “We are pleased to welcome the first freighter flight from Air Canada Cargo. As winners of the Airports Council’s International Airport Service Quality Awards for seven consecutive years, we are confident that this will contribute to the excellence and diversification of our cargo operations,” affirmed Giovanni Rainieri, director of Airside Operations at Punta Cana International Airport. Air Canada Cargo’s flight to Punta Cana is the latest addition to its worldwide freighter network, following recently launched freighter services to San José, Basel, Liege, Dallas, Atlanta and Bogota.

38. Air Travel Consumer Report: March 2023 and 1st Quarter 2023 Numbers

The U.S. Department of Transportation on May 23, 2023 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of March 2023 and the first quarter of 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. For the first three months of 2023, cancellations have stayed below 2% and are far lower than last year’s 2.7% cancellation rate and the rate of 4.1% for the first three months of 2022. The Department is currently investigating several domestic airlines to ensure that they are not engaging in unrealistic scheduling of flights. In March 2023, reporting marketing carriers posted an on-time arrival rate of 75.4%, down from both the rate of 79.4% in February 2023 and from the rate of 77.2% in March 2022. The year-to-date on-time arrival rate for 2023 is 76.9%. In March 2023, reporting marketing carriers handled 42.0 million bags and posted a mishandled baggage rate of 0.58%, lower than the February 2023 rate of 0.61%, but higher than the March 2022 rate of 0.57%.

39. Minister of Transport announces new funding for essential equipment for Region of Waterloo International

The Honourable Omar Alghabra, Minister of Transport, on May 23, 2023 announced that the Government of Canada is making important safety investments at the Region of Waterloo International Airport. Through Transport Canada’s Airports Capital Assistance Program, the Government of Canada is providing the airport with close to \$3 million to purchase two aircraft rescue and fire fighting vehicles and associated equipment. These vehicles and equipment will help keep passengers and airport workers and crew safe by ensuring a rapid and effective response to aircraft emergencies. This funding is in addition to the more than \$4 million provided to the Airport through the Program in 2021-22 for the purchase of a plow truck and the partial rehabilitation of Taxiways A and C, Apron IIIA, and aircraft stands.

40. Monthly civil aviation statistics, March 2023

Major Canadian airlines carried 6.8 million passengers on scheduled and charter services in March 2023, up 59.3% from the same month in 2022, but 12.1% below the March 2019 level, before the COVID-19 pandemic. With traffic at 17.8 billion passenger-kilometres and capacity at 20.5 billion available seat-kilometres, the passenger load factor was 86.7% in March 2023, above the pre-pandemic March 2019 level. Operating revenue earned in March 2023 exceeded the pre-pandemic level for the fourth consecutive month.

41. Aircraft movement statistics: Major and select small airports, March 2023

In March 2023, aircraft movements at Canada’s major and select small airports totalled 445,452, up 13.0% from March 2022 but 15.5% lower than March 2019, before the COVID-19 pandemic. Domestic movements from Level I to III and foreign carriers were up 6.3% year over year in March 2023, following a 10.4% gain in February 2023. Movements to and from the United States increased 37.9% in March 2023 compared with March 2022, while international traffic rose 44.8% year over year. On January 5, 2023, the Government of Canada implemented the requirement of a negative COVID-19 test for travellers two years of age and older arriving from China, Hong Kong and Macao. This requirement was removed on March 17, 2023.

42. Air Canada Unveils its Most Comprehensive Winter Sun Schedule to Popular Vacation Destinations

Air Canada on May 25, 2023 announced the strategic expansion of its winter sun network that includes four new routes from Toronto and Montreal to Monterrey and Los Cabos in Mexico and, La Romana and Fort-de-France in the Caribbean. The airline is also deploying a substantial increase in capacity from its Vancouver hub to sought after sun destinations such as Mexico, Miami, Phoenix, Las Vegas and San Diego, and additional flights from coast to coast to popular winter vacation destinations in Florida, Mexico and the Caribbean. Seats are available for purchase now at aircanada.com, via the Air Canada App, Air Canada’s Contact Centres, and travel agents. Vacation packages are available for purchase at aircanadavacations.com. “We are seeing strong, ongoing interest for winter leisure travel, and as the leading carrier from Canada to popular sun destinations with up to 683 weekly flights planned this winter, we are

thrilled to add exciting new services from Toronto and Montreal to the Caribbean and Mexico and significant increases from our Vancouver hub in response to pent up demand. With the most flights to choose from coast to coast this winter to popular leisure sun destinations and convenient travel package options through Air Canada Vacations, customers can begin booking their vacation to their preferred destination now," said Mark Galardo, Executive Vice President, Revenue and Network Planning at Air Canada.

43. Porter Airlines awarded APEX Passengers Choice for Best North American Cabin Service

Porter Airlines is being recognized as winner of the 2023 Passengers Choice Awards for Best Cabin Service in North America from the Airline Passenger Experience Association (APEX). Porter's unique approach to service sets it apart by offering a generous service experience and effortless travel for every passenger. Earlier this year, Porter updated its renowned economy air travel experience, further challenging what every airline in North America offers. This starts with its signature in-flight service that offers every passenger complimentary beer and wine served in glassware, and a selection of premium snacks. Features such as free, fast WiFi with full internet access for all passengers on its new Embraer E195-E2 aircraft, plus fresh, healthy meals and premium ready-made cocktails on longer flights are the latest additions. Porter prioritizes partnering with Canadian food and beverage brands who also take pride in high-quality products and generous service.

44. Brace for sticker shock this summer as high demand drives international airfares to five-year highs

Air Canada says demand is expected to persist, with strong advanced bookings for the remainder of the year. Canadians are looking to fly more often but are showing increased wariness about costs, according to a report by travel app provider Hopper Inc. that found customers are checking the price more frequently before they book than in the past. The company's data shows travellers are checking the price of trips 50 per cent more often on average than in previous years, as inflation and high interest rates drive up costs, putting more pressure on travel budgets this year than ever before. Domestic trips though are below pre-pandemic prices.

WATER TRANSPORTATION

1. Annual meeting of the Montreal Port Authority

On April 28, 2023, President and Chief Executive Officer of the Montreal Port Authority (MPA) Martin Imbleau and Chair of the Board of Directors Nathalie Pilon released the Port of Montreal's 2022 operating results at the annual meeting held at the MPA head office. After two years marked by downturns in traffic at the Port of Montreal in connection with the disruption of international supply chains and the COVID-19 pandemic, the MPA is back on an upward trend in terms of cargo volumes handled in all sectors. "With the end of the health restrictions, we regained a degree of normality. People started to move and travel again, port congestion and container availability issues stabilized, cargo got moving more predictably. But 2022 was also a year of awareness and reflection to prepare for the future. Recent events showed us all, collectively, the importance of port infrastructure for society and the economy. We became aware of the urgent need to invest in supply chains, to strengthen them and even to rethink them to be ready for crisis situations," said Martin Imbleau, President and Chief Executive Officer of the MPA. In all, 36 million tonnes of cargo were handled at the Port of Montreal in 2022, up 5.8% from last year. All sectors of activity posted gains.

2. The Government of Canada outlines 2023 measures to protect Southern Resident killer whales

The Government of Canada recognizes that Southern Resident killer whales face imminent threats to their survival, and that protecting these iconic marine mammals requires comprehensive and immediate action. Our measures focus on addressing the three primary threats to Southern Resident killer whales: acoustic and physical disturbance, prey availability and accessibility, and contaminants. Acoustic and physical disturbances from vessels: 1. Vessels must stay at least 400 metres away from all killer whales year-round in southern British Columbia coastal waters between Campbell River to just north of Ucluelet. 2. Commercial whale-watching and ecotourism companies that receive an authorization from the Minister of Transport will be able to

WATER TRANSPORTATION Canada

1. Annual meeting of the Montreal Port Authority, April 28, 2023, www.ajot.com
2. The Government of Canada outlines 2023 measures to protect Southern Resident killer whales, April 26, 2023, www.tc.gc.ca
3. Minister of Transport launches a new call for proposals to support the removal of abandoned and wrecked vessels in Canadian waters through the Oceans Protection Plan, April 28, 2023, www.t.c.gc.ca
4. New US House bill would boost FMC's antitrust authority, April 26, 2023, www.joc.com
5. Crowley to launch multi-modal service between Mexico and the U.S. Midwest and Canada via inland connections by CN, May 2, 2023, www.ajot.com
6. Container shipping heading for \$10 billion loss in 2024: Drewry, May 3, 2023, www.joc.com
7. Environmental group slams IMO for Arctic shipping stance, May 2, 2023, www.insidelogistics.ca
8. Vancouver port traffic dips in 2022, as slowing imports hint at economic downturn to come, May 3, 2023, www.financialpost.ca
9. USDOT Announces Funding for 27 Small Shipyards in 20 States to Help Increase Productivity and Create Jobs, May 3, 2023, www.dot.gov
10. FMC post-OSRA complaint process secures \$1 million in relief for shipping interests, May 4, 2023, www.joc.com
11. Seafarers Happiness Index Q1 2023 reveals a decline in overall satisfaction levels among

view transient (Biggs) killer whales from 200 metres, given their expertise in identifying different types of killer whales. This provision does not apply to the Southern Resident killer whale population. 3. If a vessel finds itself within 400 metres of a killer whale, they are asked to turn off fish finders and echo sounders and put the engine in neutral when safe to do so to allow animals to pass. 4. If a vessel is within 1,000 metres of a killer whale, they are asked to reduce speed to less than 7 knots when safe to do so to lessen engine noise and vessel wake. For the 2023 season, Transport Canada will be strengthening the requirements of the avoidance distance to further minimize physical and acoustic disturbance in the presence of killer whales in the Interim Order under the Canada Shipping Act, 2001. The 2023 measures continue the mandatory Speed Restricted Zones near Swiftsure Bank, co-developed with the Pacheedaht First Nation. All vessels are required to slow down to a maximum of 10 knots while in the areas.

3. Minister of Transport launches a new call for proposals to support the removal of abandoned and wrecked vessels in Canadian waters through the Oceans Protection Plan

On April 28, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced the launch of a new call for proposals under the Oceans Protection Plan's Abandoned Boats Program, which invites Canadians to submit proposals for projects that support the assessment, removal, and disposal of abandoned and wrecked vessels in Canadian waters. Through the call for proposals, which will provide \$1.6 million in total funding, the Government of Canada will pay up to 100% of costs associated with the assessment and removal of abandoned or wrecked vessels. Specifically, it will cover up to \$5,000 for boat assessment projects and up to \$250,000 for boat removal and disposal projects.

4. New US House bill would boost FMC's antitrust authority

The sponsor of a bill that would give the FMC greater power to kill deals involving ocean carriers and marine terminals says it is needed because container alliances "openly collude."

5. Crowley to launch multi-modal service between Mexico and the U.S. Midwest and Canada via inland connections by CN

Crowley will launch an end-to-end, integrated ocean and rail service between Mexico and the U.S. Midwest region and into Canada. Featuring Crowley's new Mexico-U.S. ocean route in the Gulf, the service will leverage the highly efficient, inland rail network of Canadian National Railway Company and its U.S. rail subsidiaries (CN). The companies' combined network provides broad reach across the Midwest and into Canada to increase solutions for global customers in North American markets. "With this collaboration with Canadian National, Crowley has further expanded market reach for our customers and the communities they serve with the fast, reliable transport of goods across the entirety of North America," said Brett Bennett, senior vice president and general manager, Crowley Logistics. "Leveraging each side's unmatched supply chain capabilities and commitment to customers long-term, we are creating even more efficiencies to advance the power of today's innovative and demanding global supply chain."

6. Container shipping heading for \$10 billion loss in 2024: Drewry

The container shipping industry will report a \$10 billion loss in 2024 as new contracts are signed at significantly lower rates and a flood of new ships results in effective capacity growth of 25 percent this year, according to the latest estimate from consultancy Drewry. It is an astonishing comedown from the before-tax profit of \$296 billion reported by carriers in 2022 and the \$16.5 billion profit expected from the industry this year, Simon Heaney, senior manager for container research at Drewry Maritime Research, said during a webinar on May 2, 2023.

7. Environmental group slams IMO for Arctic shipping stance

seafarers, May 4, 2023, www.ajot.com

12. Upsized 14,000 TEU EC5 vessels arrive at Port of Halifax, May 5, 2023, www.ajot.com

13. The Minister of Transport announces navigation ban and speed limits due to flooding on portions of the Ottawa and St. Lawrence Rivers, May 9, 2023, www.tc.gc.ca

14. Ocean freight rates plummet, May 11, 2023, www.ajot.com

15. Hapag-Lloyd Q1 2023: good resilience in weaker market environment, May 11, 2023, www.ajot.com

16. Three Quebec ports announce net zero goal, May 11, 2023, www.insidelogistics.ca

17. Hapag-Lloyd: Higher costs will inevitably push up shipping rates, May 11, 2023, www.freightwaves.com

18. Port of Montreal plans benefits for greener trucks, May 12, 2023, www.todaystrucking.com

19. Port of Long Beach trade softens in April, May 14, 2023, www.ajot.com

20. Port Houston volumes buoyed by strong exports, May 15, 2023, www.ajot.com

21. CATO & congressional allies propose dismantling the Jones Act, May 16, 2023, www.ajot.com

22. B.C. introduces grant program for marine industries, May 18, 2023, www.insidelogistics.ca

23. Port of Montreal lays out ESG goals, May 18, 2023, www.insidelogistics.ca

24. Biden-Harris Administration Announces Availability of \$220 Million to Modernize Ferry Service and Better Connect Rural Communities, May 18, 2023, www.dot.gov

25. Compensation on the rise for Port of Vancouver truckers, May 19, 2023, www.todaystrucking.com

26. Port of Los Angeles' Seroka says 2023 "Has been a challenging year", May 19, 2023, www.ajot.com

27. Joint media release: Celebrating DP World's 100th anniversary and completion of the Centerm Expansion and South Shore Access Projects, May 19, 2023, www.portmetrovanancouver.com

28. North Carolina Ports moves up three spots to #1 in North America for Container Terminal Efficiency, May 22, 2023, www.ajot.com

29. Major financing and operator decisions coming on Montreal's big Contrecoeur container project, May 23, 2023, www.ajot.com

30. ONE agrees to pay \$1.7 million fine in detention/demurrage case: FMC, May 19, 2023, www.joc.com

31. Korea may challenge China's dominance in ship to shore cranes at ports, May 24, 2023, www.ajot.com

32. Minister of Transport announces funding to improve freight transport at the Port of Windsor, May 26, 2023, www.tc.gc.ca

An environmental group is taking the International Maritime Organization (IMO) to task for failing to move forward on regulations that would reduce carbon emissions in the Arctic. As a meeting of the IMO's Pollution Prevention and Response committee finished up, the Clean Arctic Alliance denounced the international organization for failing to move forward on compulsory measures to reduce black carbon emissions in the Arctic, and called for national governments to develop concrete proposals for mandatory action for the IMO to consider in 2024.

8. Vancouver port traffic dips in 2022, as slowing imports hint at economic downturn to come

Cargo volumes at Canada's largest port fell by three per cent last year as the global economy began to show signs of a slowdown. Though grain and fertilizer exports surged in the second half of 2022, the gains were not enough to offset a sputtering start to the year caused by a weak 2021 harvest and lingering supply chain problems, the Vancouver Fraser Port Authority said on May 1.

9. USDOT Announces Funding for 27 Small Shipyards in 20 States to Help Increase Productivity and Create Jobs

On May 3, 2023, the U.S. Department of Transportation's Maritime Administration (MARAD) announced \$20.8 million in grant awards to 27 small shipyards in 20 states through the Small Shipyard Grant Program. The funds will help shipyards modernize, increase productivity, and expand local job opportunities while competing in the global marketplace. "Small shipyards strengthen America's commercial fleet, bolster our economic security, and generate good jobs," said U.S. Transportation Secretary Pete Buttigieg. "We are proud to support these shipyards reinforce their vital role in the U.S. maritime sector."

10. FMC post-OSRA complaint process secures \$1 million in relief for shipping interests

US shipping interests who sought relief from the Federal Maritime Commission (FMC) over disputed fees have won back just over \$1 million since new shipping reform became law last June. Since June 16 when the Ocean Shipping Regulation Act of 2022 (OSRA-22) was signed into law, a total of \$1,045,953 has been refunded through the FMC's interim charge complaint process to shippers, consignees, truckers and third parties who sought the agency's help to contest charges levied by ocean carriers. The charge complaint process continues to drive informal settlements and waivers of mainly detention and demurrage billings.

11. Seafarers Happiness Index Q1 2023 reveals a decline in overall satisfaction levels among seafarers

The Mission to Seafarers has published the latest Seafarers Happiness Index report for Q1 2023, revealing a decline in overall happiness levels among seafarers during the first three months of the year. The survey, which captures seafarers' sentiments worldwide across a wide range of welfare issues, shows a fall from 7.69 to 7.1 out of 10, compared to Q4 2022. The Seafarers Happiness Index (SHI) report covers ten key questions that provide insights into the challenges and opportunities facing seafarers. The Q1 2023 SHI was undertaken with the support of NorthStandard and Idwal, and identifies a return to growing frustrations among respondents, following a period of rising happiness. Seafarers were relatively satisfied in the last quarter of 2022, but sentiment has since worsened. The average happiness level of seafarers in Q1 2023 was 7.1, which is lower than the levels recorded in Q2, Q3, and Q4 of 2022. In fact, nine out of ten areas surveyed showed a decrease in happiness levels. Despite an optimistic outlook for improvements to seafarer welfare in 2023, the latest report indicates that these expectations have not yet been met. As ever, there is still much room for improvement.

12. Upsized 14,000 TEU EC5 vessels arrive at Port of Halifax

The first of the upsized EC5 vessels has arrived at the Port of Halifax. The ONE Stork, with a carrying capacity of 14,000 twenty-foot equivalent units (TEU) and 364 metres length overall, arrived at PSA Halifax Atlantic Hub on April 26. ONE is a member of THE Alliance which includes Hapag Lloyd, Ocean Network Express (ONE), Yang Ming, and Hyundai Merchant Marine. "We welcome the deployment of larger vessels as part of the EC5 service to our port city," said Captain Allan Gray, President and CEO, of Halifax Port Authority. "PSA Halifax Atlantic Hub has the infrastructure, operational knowledge, and experience to efficiently handle vessels of this size. The upsizing of these vessels continues to solidify Halifax as Canada's Ultra Atlantic Gateway."

13. The Minister of Transport announces navigation ban and speed limits due to flooding on portions of the Ottawa and St. Lawrence Rivers

On May 9, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced an Interim Order temporarily prohibiting navigation in specific areas of the Ottawa River due to flood conditions. The Interim Order is intended to ensure the safety of boaters and shoreline residents, to protect temporary infrastructure in place, to avoid damage to property, and to allow emergency responders to do their jobs. Navigation warnings were also issued on May 5, 2023. 1. Vessels are temporarily prohibited on the Ottawa River: 2. From the MacDonald-Cartier Bridge to Rockland; and 3. From Carillon Dam to Pointe-Calumet. A speed limit of 10 km/h (5.4 knots) is also in effect for all recreational vessels in the following areas on the St. Lawrence River: 1. Lac des Deux-Montagnes, east of Pointe-Calumet; 2. Lac Saint-Louis, in its entirety; and 3. Rivière des Prairies, in its entirety. These restrictions do not apply to emergency and support vessels.

14. Ocean freight rates plummet

The cost of shipping containers out of Europe has plummeted from the peak prices of 2021 and 2022, with spot rates on the main corridors down by close to 70%. However, according to the latest data from Oslo-based Xeneta, some trade lanes are still capable of commanding prices far above pre-pandemic levels, with recent long-term contracts on selected corridors over 100% more expensive than 2019 equivalents. Xeneta crowdsources real-time rates data from leading global shippers, allowing it to assess the very latest market moves. Unsurprisingly, given current sentiment, Xeneta's European export intelligence shows both spot and long-term ocean freight rates have collapsed compared to the historical highs recorded in the space of the last year to eighteen months.

15. Hapag-Lloyd Q1 2023: good resilience in weaker market environment

Hapag-Lloyd has concluded the first quarter of 2023 with an EBITDA of USD 2.4 billion (EUR 2.2 billion). EBIT decreased to USD 1.9 billion (EUR 1.7 billion) compared to the same quarter last year, and the Group profit was also below the prior-year level, at USD 2 billion (EUR 1.9 billion). Transport volumes were 4.9 percent lower than in the first quarter of last year, at 2,842 TTEU (Q1 2022: 2,987 TTEU), owing to local destocking and weaker overall global demand. In addition, the lower average freight rate of 1,999 USD/TEU (Q1 2022: 2,774 USD/TEU) was particularly responsible for the decline in revenue, which decreased to USD 6 billion (EUR 5.6 billion). Transport expenses remained at the prior-year level of USD 3.3 billion: The lower transport volumes were accompanied by inflation-related cost increases and a higher bunker consumption price, of USD 645/t (Q1 2022: USD 613/t).

16. Three Quebec ports announce net zero goal

The Ports of Montreal, Québec and Trois-Rivières are taking the federal government's Net-Zero Challenge. The announcement was made by Daniel Dagenais, vice-president, port performance and sustainable development of the Montreal Port Authority (MPA) alongside Pascal Raby, vice-president, operations of the Québec Port Authority, and Jacques Paquin, executive vice-president of the Trois-Rivières Port Authority. They were taking part in Quebec's marine sector conference, Assises québécoises du secteur maritime 2023, taking place May 9 and 10 at the Lévis Convention Centre. Launched in August 2022 by the Minister of Environment and Climate Change, the Net-Zero Challenge is a voluntary initiative that invites organizations to develop and implement credible and effective transition plans to make their facilities and operations emission-free by 2050.

17. Hapag-Lloyd: Higher costs will inevitably push up shipping rates

Germany's Hapag-Lloyd, the world's fifth-largest shipping line, posted better-than-expected results for the first quarter of 2023, with freight rates averaging \$3,998 per forty-foot equivalent unit, 85% above pre-COVID levels. "Volumes remained subdued as the inventory correction starting in the second half of last year continued, but the numbers started to look a little better toward the end of the quarter," said CEO Rolf Habben Jansen on May's 11, 2023 conference call. "We think it's going to remain subdued [in the second quarter] but I do believe the second quarter will be better than the first. I don't think that means we're now going to see a very quick recovery, but I do think it underlines the point that destocking is slowly but steadily coming to an end, and at some point in time, we will quite likely see a bit of a pickup in demand." Cargo volumes dropped sharply in the second half of last year. Habben Jansen predicted that "at some point, probably in Q3, [volume] will cross into year-on-year growth," with full-year totals coming in close to or slightly above 2022 levels despite low first-half demand.

18. Port of Montreal plans benefits for greener trucks

The Port of Montreal plans to introduce incentives for carriers that use trucks which generate lower emissions, under plans revealed at a Climate Summit this week. The port is looking to reduce greenhouse gas emissions by 55% as of 2030, and be carbon-neutral by 2050. Benefits such as exclusive time slots, express routes, or discounts on certain port fees will be made available to lower-emitting trucks by 2025, Montreal Port Authority spokesman Renee Larouche told *Transport Routier* magazine. "From the outset, the [port authority] prefers adapted and progressive measures," Larouche said. While the Port of Montreal considers a series of carrots to encourage the use of cleaner trucks, the Vancouver Fraser Port Authority has faced several delays in the rollout of a [Rolling Truck Age Program](#) that would ban vehicles with model years older than 2006. Originally scheduled for September 2022, that was postponed until April 2023, and then pushed forward another nine months.

19. Port of Long Beach trade softens in April

Cargo container traffic slowed at the Port of Long Beach in April 2023 as consumers continued to limit purchases and shippers shuffled trade from the West Coast to seaports on the East and Gulf coasts. Dockworkers and terminal operators moved 656,049 twenty-foot equivalent units (TEUs) last month, down 20.1% from April 2022, which was the Port's busiest April on record. Imports declined 21.8% to 313,444 TEUs, while exports increased a narrow 0.6% to 122,663 TEUs. Empty containers moving through the Port decreased 26.2% to 219,943 TEUs. "The unprecedented consumer demand we saw at the height of COVID-19 has diminished and cargo flows are now closer to pre-pandemic levels," said Port of Long Beach Executive Director Mario Cordero. "We expect slow growth in the second half of 2023, as retailers continue to clear surplus inventory from their warehouses." "Our facilities, dockworkers, marine

terminal operators and staff continue to make this the premier gateway for trans-Pacific goods movement,” said Long Beach Harbor Commission President Sharon L. Weissman. “So we do expect cargo volumes to rebound eventually as shippers seek out the top-notch customer service of the Port of Choice.” Economists say consumer spending has softened since the start of the year, while the Federal Reserve’s interest rate adjustments have slowed inflation as intended. The Port has moved 2,377,375 TEUs during the first four months of 2023, down 27.5% from the same period in 2022.

20. Port Houston volumes buoyed by strong exports

Port Houston’s container exports continue to outpace historic 2022 volumes. Loaded exports specifically are up 17% year-to-date compared to last year, due in large part to the demand for resin exports. In total, 1,026,260 loaded TEUs were handled through April 2023 at Port Houston, surpassing the 1 million-mark earlier in the year than ever before. A slight softening of import container cargo compared to the record-breaking volumes of 2022 was expected and budgeted for this year. Although loaded containers at Port Houston declined by 10% in April compared to April 2022, they are up 3% for the year. Port Houston’s total container volume for the month of April declined by 8% compared to the same month last year, to 307,879 TEUs. Year-to-date total container volumes are flat at 1,241,910 TEUs thus far this year. As we continue to move past the unprecedented times of the pandemic and the toll it took on the global supply chain, cargo activity appears to be normalizing locally and Port Houston has returned to a balance of imports and exports. In fact, through April 2023 Port Houston’s total container cargo consisted of 51% imports and 49% exports. “As the fastest growing and now the fifth-largest container port in the U.S., we must remain proactive and well-equipped to meet the needs of our customers,” said Roger Guenther, Executive Director at Port Houston. “Infrastructure investments remain a priority at Port Houston, along with the expansion of the Houston Ship Channel, which is already improving vessel transit times as part of segment 1A’s completion.”

21. CATO & congressional allies propose dismantling the Jones Act

At a time when the U.S. Maritime Administration (MARAD) is tasked with producing a National Maritime Strategy to upgrade U.S. shipbuilding and shipping, the libertarian Cato Institute’s proposal is to repeal the *Jones Act*. Cato’s [Jones Act Reform](#) project is led by research fellow Colin Grabow who “is making waves in revealing the consequences of the *Jones Act*, which has further exacerbated the supply chain crisis by requiring sea transport of cargo between American ports be performed by ships that are U.S. built, owned, flagged, and crewed,” according to Cato’s annual report. The Cato Institute report also praised Senator Mike Lee (R-UT) and Rep. Tom McClintock (R-CA) “who have introduced several bills aimed at dismantling national protectionism, including a full repeal of the *Jones Act*.” The U.S. Maritime Administration’s (MARAD) National Maritime Strategy would provide the basis for the United States to assess maritime shortfalls and address them through greater investment and/or policy changes, according to Sara Fuentes, vice president of Government Affairs, Transportation Institute and Jonathan Kaskin, national vice president for Legislative Affairs, Navy League of the United States [see May 4, 2023, Insight: “*Proposed National Maritime Strategy Will Support Maritime Growth*”]. Recently, both Fuentes and Kaskin told *AJOT* that they are worried that the decline in U.S. shipping and shipbuilding has gone on for so long that the issue lacks a national urgency: “What we need is for the White House to make a National Maritime Strategy a top priority that will mobilize national resources to get the job done,” Kaskin said. Fuentes and Kaskin emphasized safeguarding U.S. maritime jobs for coastal and inland vessel transport as provided by the *Jones Act*. This is vital, they say, because the *Jones Act* protects the jobs of U.S. vessel carriers, shipbuilders, and mariners from outsourcing.

22. B.C. introduces grant program for marine industries

British Columbia is launching a grant program to support its marine industries. The new grant program allows B.C. companies to apply for capital funding for projects that modernize, scale and increase regional capabilities and capacity for shipbuilding, refit, repair and maintenance to help them be more competitive and grow. The program also supports projects that increase the new build capacity for smaller coastal craft. “B.C. is home to Canada’s largest maritime sector with leaders and businesses at the forefront of marine innovation, clean fuels and technological advancements,” said Brenda Bailey, minister of jobs, economic development and innovation. “By modernizing our maritime infrastructure and better co-ordinating maritime industry contracts and workforce strategies, B.C. will support local companies to grow into new international markets, and open more career opportunities and jobs for British Columbians.” As much as \$25 million will be invested in new and modernized infrastructure and assets that will support shipyards to meet growing market demand for their services and attract more investment to B.C. under the new B.C. Maritime Industries Strategy.

23. Port of Montreal lays out ESG goals

Carbon neutrality, territorial protection and improving the city-port interface: the Port of Montreal made a series of flagship commitments at the 2nd annual Montreal Climate Summit. A few weeks after the launch of its Strategic Plan 2023-2027, the Montreal Port Authority (MPA) provided an update on its key objectives for decarbonization, climate change adaptation and land protection. The port has committed to reducing scopes 1, 2 and 3 absolute GHG emissions,

for which the MPA is fully responsible, covering rail operations on its intermodal network, management of its buildings and vehicle fleet as well as its infrastructure works, by 55 percent by 2030, leading to carbon neutrality by 2035. Scope 3 absolute GHG emissions, for which the MPA is not fully responsible, covering those generated by logistics companies located on Port territory, will be reduced by 40 percent by 2040, leading to carbon neutrality by 2050.

24. Biden-Harris Administration Announces Availability of \$220 Million to Modernize Ferry Service and Better Connect Rural Communities

The U.S. Department of Transportation's Federal Transit Administration (FTA) on May 18, 2023 announced the availability of \$220 million from President Biden's Bipartisan Infrastructure Law to support or modernize passenger ferry service in rural and urban communities across the country. Across the country, there are approximately three million ferry riders each month. Past grants have helped transit authorities upgrade ferry service across the country, from Alaska to Maine, to Georgia and California. "For many Americans, ferries are the best way get to work, go to school, or reach a hospital, particularly in island communities and Alaska Native villages," said U.S. Transportation Secretary Pete Buttigieg. "Everyone ought to have access to affordable, reliable transportation options, and thanks to President Biden's Investing in America agenda, we are taking an important step to improve ferry service across the country." Two grant programs are included in this [Notice of Funding Opportunity \(NOFO\)](#) the [Passenger Ferry Program](#) (\$50.1 million) and the [Ferry Service for Rural Communities Program](#) (\$170 million).

25. Compensation on the rise for Port of Vancouver truckers

Company drivers, indirectly employed operators, and independent operators serving the Port of Vancouver will see rates increase 6.2% on July 1, 2023 in the wake of an independent compensation study conducted for the Office of the British Columbia Container Trucking Commissioner. A review published in February 2023 included five proposals to update rates for drivers serving the Lower Mainland's drayage sector, and the decision was made to address inflationary pressures. They are not the only changes on the horizon. Overtime rates were announced in April 2023, and as of May 1, 2023 company drivers have been entitled to 1.5 times their applicable hourly rates beyond nine hours in a day and over 45 hours a week. Now the commissioner's office is working on overtime rates for independent operators. A final decision will come after industry feedback on the proposal is reviewed.

26. Port of Los Angeles' Seroka says 2023 "Has been a challenging year"

The Port of Los Angeles reported cargo volumes declined during first three months of 2023 compared to 2022. The Port reported that January to April volumes were 2,525,204 TEUs compared to 3,569,391 TEUs in 2022. In his monthly media briefing on May 18th 2023, Eugene Seroka, Executive Director, Port of Los Angeles noted that April cargo volumes declined to 688,110 TEUs which was a decline of 22% compared the same month in 2022. He noted that imports were down by about 25% and exports declined by 12% compared to 2022. So far, Seroka said that 2023: "Has been a challenging year." Seroka finds some room for optimism: "The bright spot is we've been on an upward trajectory these last two months. We saw a 28% climb March over February and an additional 10% increase in April over March. I believe that this trend will continue in May as we project to reach or exceed 700,000 TEUs for the month."

27. Joint media release: Celebrating DP World's 100th anniversary and completion of the Centerm Expansion and South Shore Access Projects

DP World and the Vancouver Fraser Port Authority on May 19, 2023 celebrate two historic events—the completion of the Centerm Expansion Project at DP World Vancouver and the 100th anniversary of the port's marine terminal operations. These two events highlight British Columbia's (BC) ongoing leadership in sustainable trade, technological innovation and introducing Canadian goods to new markets supported by partners such as DP World in Canada. The 100-year anniversary marks an opportunity to celebrate the ongoing commitment of DP World employees, the ILWU (International Longshore and Warehouse Union)—with over 10,000 longshore and foremen employees having worked for DP World in BC over the past 20 years—handling over 20 million loaded twenty-foot equivalent units (TEUs). Along with its partners, DP World is making the global supply chain more resilient, establishing Canada's leadership in sustainable trade and exporting Canadian goods to global markets. DP World continues to support and advance the long-term growth of Canada's ports and terminals, including the Port of Vancouver, through new technologies and commitment to innovation and sustainable trade infrastructure. As the country's gateway to over 170 trading economies around the world, Vancouver handles one in every \$3 of Canada's trade in goods outside of North America. This enables the trade of approximately \$305 billion in goods, while the port's activities sustain 115,300 jobs, \$7 billion in wages, and \$11.9 billion in GDP across Canada.

28. North Carolina Ports moves up three spots to #1 in North America for Container Terminal Efficiency

North Carolina Ports' container terminal at the Port of Wilmington moved up three spots in the latest Container Port Performance Index (CPPI), ranking it as the most productive port in North America in 2022. The technical report produced by the World Bank and S&P Global Market Intelligence also ranks NC Ports as the 44th most productive port in the world, up from 49th a year ago, out of the 348 included in the study. The CPPI rankings are part of the third

annual measurement of global port efficiency. Ratings are based on the time vessels spent in port to complete workloads over the course of 2022. “This latest achievement is a testament to the dedication of all North Carolina Ports employees and stakeholders and their unwavering commitment to keeping goods and cargo moving,” said Brian Clark, Executive Director, North Carolina State Ports Authority. “It is also proof that our critical infrastructure improvements have allowed us to maintain our best-in-class vessel productivity, exceed industry standards, and deliver on our mission to enhance the economy of North Carolina. These capital investments would not have been possible without the support of our many partners at the local, state and federal levels as well as funding from the North Carolina General Assembly.” Over the past five years, NC Ports has invested over \$356 million in infrastructure improvement projects at its facilities.

29. Major financing and operator decisions coming on Montreal’s big Contrecoeur container project

As the clock ticks away, so do construction costs escalate in a high inflationary environment. Delays on the Contrecoeur project could mean the Port of Montreal will not have the container capacity it wants in place by 2027 to meet expected demand and thereby continue to compete effectively against key U.S. East Ports in a strong expansion mode - buttressed by the Biden Administration’s multi-billion-dollar infrastructure program. But latest developments point to important announcements this spring and summer on finalizing a financing package, followed by the selection of the terminal operator and a detailed construction schedule. An announcement from federal Transport Minister Omar Alghabra outlining federal financial support for the Port of Montreal’s Contrecoeur container terminal project was described as “a question of weeks, not months” by Martin Imbleau, President and CEO of the Montreal Port Authority, during the port’s annual board meeting at end of April 2023. On the same occasion, Imbleau also said that an announcement could be expected this summer on the selection of the winner from three groups who made the shortlist of bidders to build, finance and operate the terminal that would increase Montreal’s container capacity by 1.15 million TEUs.

30. ONE agrees to pay \$1.7 million fine in detention/demurrage case: FMC

Since June 2023, ONE, Wan Hai and Hapag Lloyd have agreed to pay a combined \$4.65 million in civil penalties. Ocean Network Express (ONE) will pay a \$1.7 million civil penalty to avoid a formal investigation by the US Federal Maritime Commission (FMC) for allegedly violating the interpretive rule on detention and demurrage, according to a settlement made public on May 18, 2023. The deal was reached prior to the FMC initiating formal enforcement action against the carrier. In addition to the monetary penalty, ONE will either refund or waive the contested detention and demurrage fees to shippers involved in the private case. As part of the settlement, ONE did not admit to any violation of the law, the FMC said in a statement.

31. Korea may challenge China’s dominance in ship to shore cranes at ports

Chinese ship to shore crane builder ZPMC, which has sold cranes to most of the world’s ports, may soon have a new competitor: Korea. The Korean Port of Busan is opening a new automated container terminal in the latter half of 2023. The ship-to-shore cranes will be totally automated and will not require crane operators. In an additional development the cranes will be built in Korea and not in China. E.H. Lee, Director of Marketing and International Affairs for the Port of Busan spoke to the Propeller Clubs of Northern California and Los Angeles/Long Beach on May 22nd. With a throughput of 22 million TEUs per year, the Port is the seventh largest in the world. Lee expects the new automated DGT terminal to begin partial operations in the Fall of 2023 utilizing three berths. He said the terminal should be fully operational by 2026 and have a capacity of just under 4 million TEUs per year. Lee explained that the new ship-to-shore cranes will be built in Korea and manufactured by Hyundai along with several partners. The cranes will be operated by remote control and not require an operator in the crane’s cab. The cranes will unload containers onto automated vehicles that also do not require an operator. These vehicles will then transport the containers from quayside into stacks where the containers will be unloaded onto trucks.

32. Minister of Transport announces funding to improve freight transport at the Port of Windsor

On May 26, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced an investment of up to \$12.5 million to the Essex Terminal Railway Company, from the National Trade Corridors Fund, for a Cargo Terminal Infrastructure Expansion project at the Port of Windsor. The project will help build a new warehouse and expand the shorewall at the Port of Windsor. It aims to shift the transportation of goods from trucks to trains and ships, which will reduce pollution and congestion along the Highway 401 corridor. This will make it easier to move steel and aluminum products and attract potential new exports. Additionally, these improvements will prevent shoreline erosion and reduce the risk of flooding due to rising lake water levels caused by climate change. It will also enable the possibility of building a new cargo dock in the future that can be used for different purposes.

RAIL TRANSPORTATION

1. Unifor Ratifies CN Collective Agreements

CN announced on May 1, 2023 that Unifor has ratified its collective

RAIL TRANSPORTATION
Canada

agreements with the Company. The collective agreements cover approximately 3,000 CN employees working in various departments such as Mechanical, Intermodal, Facility Management, and in clerical positions in Canada. Tracy Robinson, President and Chief Executive Officer, CN said “We are pleased that Unifor members have ratified these agreements. Despite the diverse crafts represented by this union, we have been successful in improving alignment on our path forward to deliver better and safer service.”

2. Freight Rail Services Price Index, April 2023

Data for April for the Freight Rail Services Price Index (2018=100) are now available on Statistics Canada website. The was 124.7 in April 2023 down from 126.6 in March 2023 and up from 129.1 in December 2022 and up from 116.8 in April 2022.

3. AAR: For April, Intermodal ‘Continues to Suffer’

U.S. rail traffic in April 2023 dropped from the same month last year—down 6.0% or 120,898 carloads and intermodal units, the Association of American Railroads (AAR) reported May 3, 2023. This follows March’s 7.6% drop from the prior-year period. According to AAR, U.S. Class I railroads in April 2023 hauled 1,881,950 carloads and intermodal units, comprising 936,637 carloads (up 1.8%) and 945,313 containers and trailers (down 12.7%). “Intermodal continues to suffer because of significantly lower trade activity at ports, weaker consumer demand, and continued excess retail inventories from the pandemic era,” said AAR Senior Vice President John T. Gray. “These headwinds won’t last forever. When they dissipate, railroads will be prepared to meet their customers’ needs safely and reliably.” Canadian railroads reported 83,719 carloads for the week, up 8.2%, and 65,041 intermodal units, down 16.2% compared with the same week in 2022. For the first 17 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 2,392,698 carloads, containers and trailers, up 0.2%.

4. VIA RAIL named the most reputable company in the transportation sector according to leger study

VIA Rail Canada (VIA Rail) is proud to have earned the top place as the most reputable company in the transportation sector, according to Leger’s 2023 Reputation Study. VIA Rail saw a significant increase in the annual study this year, improving its reputation score by 4 points and bypassing all other transportation companies for the first time since the study was published. Mathieu Paquette, Chief Employee Experience Officer said “This is a fantastic achievement for VIA Rail and a testament to our hard work in providing high-quality transportation services. Not only does this honor recognize VIA Rail’s commitment to excellence in the transportation sector, but it also highlights our colleague’s dedication to providing top-notch customer service.”

5. CPKC, Teck Announce Long-Term Rail Agreement

Canadian Pacific Kansas City (CPKC) and Teck Coal Limited (Teck) have entered into a long-term rail agreement for transportation of steelmaking coal from Teck’s four operations in southeastern, B.C., the Class I announced on May 4, 2023. This agreement, which builds on existing services in place and runs until the end of 2026, “reflects both companies’ commitments to work together to reduce emissions and enhance supply-chain reliability to supply the resources required for a low carbon future,” the Class I stated in a release. According to CPKC, “in support of building green transportation corridors and as a shared commitment to sustainability,” the railroad and Teck “intend to collaboratively develop a

1. Unifor Ratifies CN Collective Agreements, May 1, 2023, www.cn.ca
2. Freight Rail Services Price Index, April 2023, May 1, 2023, www.statcan.gc.ca
3. AAR: For April, Intermodal ‘Continues to Suffer’, May 3, 2023, www.railwayage.com
4. VIA RAIL named the most reputable company in the transportation sector according to leger study, May 3, 2023, www.viarail.ca
5. CPKC, Teck Announce Long-Term Rail Agreement, May 4, 2023, www.railwayage.com
6. RAC: Canada’s Railways ‘Top of the Class’, May 5, 2023, www.railwayage.com
7. CN Announces C\$1.75 Billion Debt Offering, May 8, 2023, www.cn.ca
8. VIA rail posts excellent recovery in 2022, May 8, 2023, www.viarail.com
9. BNSF’s Q1 net income falls 9% amid 10% drop in carload volumes, May 8, 2023, www.freightwaves.com
10. UP Challenging CPKC Merger—After the Fact, May 7, 2023, www.railwayage.com
11. As House Republicans Push an Extreme Budget That Slashes Rail Safety Inspections, USDOT Highlights New Efforts to Keep Communities Safe and Hold the Rail Industry Accountable, May 9, 2023, www.dot.gov
12. North American Rail Volume Decline Continues Through Week 18: AAR, May 10, 2023, www.railwayage.com
13. Grain Supply Chain Dashboard: Real-time Grain Movement by Rail, May 11, 2023, www.statcan.gc.ca
14. CPKC Launches Mexico Midwest Express Intermodal Service, May 11, 2023, www.railwayage.com
15. For House Rail Subcommittee, an Earful on Supply Chain Improvements, May 12, 2023, www.railwayage.com
16. For Metro Vancouver’s SkyTrain, C\$35MM for Running Rail Replacement, May 15, 2023, www.railwayage.com
17. BNSF to launch new Houston intermodal service in June, May 16, 2023, www.joc.com
18. Why Canada’s two big railways are livid over Justin Trudeau’s attempt to force competition, May 17, 2023, www.financialpost.ca
19. AAR: North American Rail Volume Down Through 19 Weeks, May 18, 2023, www.railwayage.com
20. UP’s Court Challenge to CPKC: More Than Meets the Eye, May 17, 2023, www.railwayage.com
21. On board for good: VIA rail provides yearly progress update on sustainability plan, May 18, 2023, www.viarail.ca
22. Union group pushes for passage of rail safety bill, May 17, 2023, www.freightwaves.com
23. CN on Grain: Government Doesn’t Know How to Bake, May 19, 2023, www.railwayage.com
24. For Week 20, Carloads, Intermodal Volume Decline, May 24, 2023, www.railwayage.com
25. TCRC Ratifies CN Collective Agreement, May 26, 2023, www.cn.ca; and CN, TCRC Ratify Collective Agreement, May 26, 2023, www.railwayage.com

unique pilot program that integrates the use of CPKC's hydrogen locomotives into Teck's steelmaking coal supply chain." It is anticipated, CPKC says, that this effort will reduce greenhouse gas (GHG) emissions, with testing commencing in early 2024.

6. RAC: Canada's Railways 'Top of the Class'

A new Railway Association of Canada study, *Strengthening All Links: Building More Resilient, Fluid Supply Chains in Canada*, provides "detailed insights and exceptional clarity into the complexity of modern supply chains and transit time variability amid pandemic and other disruptions." "Four years' worth of evidence proves Canadian railways remained strong and reliable despite the unprecedented impacts of COVID-19 on producers and suppliers everywhere," notes study author Jonathan Thibault, RAC Manager of Economics, Data and Research. "A global pandemic, the war in Ukraine, extreme weather events, labour disruptions and shortages, and economic uncertainty ... these are just some of the concurrent challenges supply chain players have faced in recent years. Supply chain players have demonstrated remarkable resiliency through it all, and Canadian railways are top of the class." The report examined two supply chains that are of critical importance to the Canadian economy, exporters and consumers.

7. CN Announces C\$1.75 Billion Debt Offering

CN on May 8, 2023 announced a public debt offering of C\$550 million 4.15% Notes due 2030, C\$400 million 4.40% Notes Due 2033, and C\$800 million 4.70% Notes Due 2053. CN expects to close the offering on May 10, 2023, subject to customary closing conditions. CN plans to use the net proceeds from the offering for general corporate purposes, which may include the redemption and refinancing of outstanding indebtedness, share repurchases, acquisitions and other business opportunities. The debt offering is being made in Canada under CN's base shelf prospectus dated May 4, 2022.

8. VIA rail posts excellent recovery in 2022

Recovery, and the continued implementation of its modernization program are highlights of VIA Rail Canada's (VIA Rail) activities over the 2022 calendar year as reflected in its 2022 financial statements. In a year that began with significant disruptions due to the public health crisis, the Corporation nonetheless recorded an increase in year over year ridership of 1.7 million passengers (118.4%). Françoise Bertrand, Chairperson of the Board of Directors states "2022 was a rebuilding year that demonstrated the enduring relevance and popularity of passenger rail service in Canada, a time in which VIA Rail was delighted to welcome back Canadians from across the country. With the setting up of VIA HFR-VIA TGF Inc., another critical step was taken toward improving passenger rail service between Québec City and Toronto. On behalf of the Board of Directors, I would like to thank the Government of Canada for its confidence in VIA Rail, especially as we continue to promote passenger rail service in Canada as the smarter way to travel." The highlights were: 1. Passenger revenues increased by \$198.8 million (168.2%) compared to 2021, led by an increase in frequencies and higher demand; 2. Operating funding decreased by 4.4% compared to 2021; and 3. VIA Rail welcomed its first passengers on board the new Corridor fleet and moved forward with the implementation of its modernization program.

9. BNSF's Q1 net income falls 9% amid 10% drop in carload volumes

BNSF's net profit for the first quarter of 2023 slipped 9% amid a 10% drop in carload volumes, the railroad's parent company, Berkshire Hathaway reported on May 6, 2023. Net income was nearly \$1.25 billion in the first quarter, compared with \$1.37 billion year over year. Total revenues were \$6 billion, up 1% from \$5.97 billion a year ago. Of that, freight revenues were \$5.75 billion, up 2.2% from nearly \$5.63 billion in the first quarter of 2022. BNSF attributed the revenue increase to a 14% gain on average revenue per car/unit that came from higher fuel surcharge revenue. Increased rates per car also helped. Breaking down freight revenues by segment, BNSF's consumer products revenues fell 10% to nearly \$1.87 billion on a 16% decrease in volumes. That volume decline was primarily due to lower intermodal shipments, which stemmed from lower West Coast imports, as well as the loss of an intermodal customer, BNSF said. However, an increase in automotive volume due to higher vehicle production partially offset the volume loss of the overall segment.

10. UP Challenging CPKC Merger—After the Fact

Roughly two months after the *Surface Transportation Board approved, with certain conditions, the Canadian Pacific-Kansas City Southern merger to create transnational CPKC (Canadian Pacific Kansas City)*, Union Pacific on May 3 filed a federal lawsuit against the STB in the U.S. Court of Appeals for the District of Columbia on May 3 seeking overturn of the historic transaction. UP's attorneys wrote that the railroad "seeks relief on the grounds that the agency action is in excess of the Board's authority; that it is arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with law; and that it is not supported by substantial evidence. Union Pacific requests that this Court vacate the order under review and grant such additional relief as may be necessary and appropriate." The 234-page filing is highly unusual in that competing railroads historically have always challenged mergers during the STB (or predecessor Interstate Commerce Commission) review process, not after approval and the transaction's physical completion. In the CPKC's case, the merger formally occurred on April 14.

11. As House Republicans Push an Extreme Budget That Slashes Rail Safety Inspections, USDOT Highlights New Efforts to Keep Communities Safe and Hold the Rail Industry Accountable

As part of its ongoing work to protect the American public, the U.S. Department of Transportation's Federal Railroad Administration laid out a new round of steps focused on the safety and accountability of the freight rail industry. In recent days, FRA has issued two safety advisories to railroad companies—one regarding the length of trains, which can be more than one or two miles long; and another on weight distribution of railcars and how that affects the risk of derailment. FRA has also issued a new report summarizing rail safety violations in 2022, and it completed safety training with personnel from around the country, an important opportunity to share updated safety practices. Meanwhile, House Republicans recently passed legislation that would cut discretionary spending by 22%, which would lead to nearly 7,500 fewer rail safety inspection days and over 30,000 fewer miles of track inspected annually—enough track to cross the United States nearly 10 times. By contrast President Biden's FY2024 Budget calls for an investment of more than \$1 billion to expand USDOT's core rail safety efforts and improve critical infrastructure.

12. North American Rail Volume Decline Continues Through Week 18: AAR

Through the first 18 weeks of 2023 (ending May 6), total North American carload and intermodal traffic dipped 4% from the same point last year, according to the Association of American Railroads' (AAR) May 10, 2023 report. Both the U.S. and Canada experienced drop-offs, while Mexico saw an increase. North American rail volume for the first 18 weeks of 2023 (ending May 6) on 12 reporting U.S., Canadian and Mexican railroads came in at 11,601,657 carloads and intermodal containers and trailers. Cumulative volume in the U.S. was 8,370,864 carloads and intermodal units, down 5.6% from 2022; in Canada, 2,535,230 carloads and intermodal units, down 0.3%; and in Mexico, 695,563 carloads and intermodal units, up 3.3%. Canadian railroads reported 76,585 carloads for the week, rising 1.0%, and 65,947 intermodal units, dropping 15.6% from the same period in 2022.

13. Grain Supply Chain Dashboard: Real-time Grain Movement by Rail

On May 11, 2023, Statistics Canada is releasing the Grain Supply Chain Dashboard: Real-time Grain Movement by Rail. This interactive map displays the daily movement of grain, detailing estimates of tonnage flows per unit of time, along segments of the railway network, stations and ports. This initiative is part of a broader effort by Statistics Canada to provide real-time statistical information about issues affecting supply chains in Canada. The interactive dashboard will be updated on a daily basis (with a one-day lag). The dashboard brings together data from multiple sources and displays three main indicators; number of cars entering, en route and exiting, at the corridor level; car's daily last known station; and cars with a 48-hour or more dwelling time. The Grain Supply Chain Dashboard has been developed in partnership with the Ag Transport Coalition.

14. CPKC Launches Mexico Midwest Express Intermodal Service

Canadian Pacific Kansas City (CPKC) on May 11 kicked off daily intermodal service between the Midwest and Mexico with trains MMX-180 and MMX-181, which now link Chicago, Kansas City, Texas markets, Monterrey and San Luis Potosi. CPKC said its Mexico Midwest Express (MMX) trains offer third-day service to/from Laredo, fourth-day service to/from Monterrey, and 4.5-day service to/from San Luis Potosi. MMX provides total transit time of 98 hours from Chicago to San Luis Potosi. The railroad noted that a diverse group of shippers, moving a variety of products, will use the service. Dedicated intermodal service between Lázaro Cardenas, Mexico and Chicago began operating as a proof of concept on an interline basis in March 2022, between then Canadian Pacific and Kansas City Southern, which merged April 14.

15. For House Rail Subcommittee, an Earful on Supply Chain Improvements

The May 11, 2023 hearing, "Getting Back on Track: Exploring Rail Supply Chain Resilience and Challenges," was led by Rep. Troy Nehls (R-Tex.), Chairman of the Subcommittee on Railroads, Pipelines, and Hazardous Materials. The rail industry's role in overcoming supply chain challenges was the theme of a May 11 hearing of the House Committee on Transportation and Infrastructure, Subcommittee on Railroads, Pipelines, and Hazardous Materials. It was part of what the T&I Committee called its continued "focus on ongoing supply chain challenges throughout the transportation sector, with the goal of identifying potential legislative solutions." Among the five witnesses was American Short Line and Regional Railroad Association (ASLRRRA) President Chuck Baker, who urged Congress members "to wield their pen with precision." The hearing, "Getting Back on Track: Exploring Rail Supply Chain Resilience and Challenges," was led by Rep. Troy Nehls (R-Tex.), the new Subcommittee Chairman. In his opening remarks, as prepared, Nehls told hearing participants: "As examined in previous supply chain hearings, freight rail remained comparatively resilient. However, it still encounters many challenges that are both unique to and common across all freight transportation modes ... Railroads are in the process of re-hiring furloughed workers and are actively training new employees to expand freight capacity. Today [May 11, 2023], the Subcommittee will hear from our witnesses about the current challenges to the freight rail industry in meeting supply chain goals and ongoing efforts to address these issues."

16. For Metro Vancouver's SkyTrain, C\$35MM for Running Rail Replacement

The Expo Line was the first of three SkyTrain lines to launch. On Dec. 11, 1985, it offered eight days of free service as a showcase of Expo '86, prior to officially starting revenue service in January 1986. The government of Canada and TransLink are each contributing C\$17.498 million to replace approximately 12.6 miles (20.2 kilometers) of running rail and some 24,000 rail pads for SkyTrain's Expo Line in metro Vancouver. The maintenance project to optimize service and reduce noise levels will run through 2027, and cover the automated rapid transit system's Expo Line connecting downtown Vancouver and the cities of Burnaby, New Westminster and Surrey. The Expo line comprises two routes—from Waterfront Station (downtown Vancouver) to King George Station (Surrey) and to Production Way–University Station (Burnaby)—and sees an average of approximately 24.9 million miles (40 million kilometers) of vehicular travel annually, according to [TransLink](#). The Expo Line was the first of three [SkyTrain](#) lines to launch. On Dec. 11, 1985, it offered eight days of free service as a showcase of Expo '86, prior to officially starting revenue service in January 1986. SkyTrain also includes the Millennium Line from East Vancouver through to Burnaby and into Port Moody and Coquitlam, and the Canada Line, which runs between downtown Vancouver, the Vancouver International Airport (YVR), and Richmond.

17. BNSF to launch new Houston intermodal service in June

BNSF Railway in June 2023 will begin regular intermodal service from the Port of Houston to Dallas and Denver, just over one year after it began testing market demand for rail service from the fast-growing Gulf Coast port. In a service advisory released on May 15, 2023, BNSF said it will offer service from Houston's Barbours Cut container terminal to its Alliance facility in Dallas and to its Denver intermodal facility beginning June 2, 2023. The service to Alliance will have twice weekly cutoffs on Tuesday and Friday evening, with scheduled container availability on the following Thursday and Sunday morning, respectively.

18. Why Canada's two big railways are livid over Justin Trudeau's attempt to force competition

Interswitching is once again a forefront issue and the railways have launched an aggressive campaign in response, with [Keith Creel](#), chief executive of Canadian Pacific Kansas City Railway Ltd., calling the government plans “short-sighted and damaging,” and warning that they could clog the rail network that Canada depends on to get billions of dollars worth of commodities to ports for export. But shippers say they've put up with subpar service from the railways for long enough, and the new rules deliver a desperately needed dose of competition into a Canadian rail system that is essentially controlled by two companies: [Canadian National Railway Co.](#) and Creel's CPKC Railway. In the careful world of rail and government policy, this back-and-forth amounts to a rock-em, sock-em slugfest. And the subject of all the turmoil is an obscure concept in federal transportation law called “interswitching.”

19. AAR: North American Rail Volume Down Through 19 Weeks

For the first 19 weeks of 2023 (ending May 13), total U.S. weekly rail traffic dipped 4.0% from the same point last year, according to the Association of American Railroads' (AAR) May 17 report. Both Canada and the U.S. saw declines, while Mexico saw an increase. North American rail volume for the first 19 weeks of the year (ending May 13) on 12 reporting U.S., Canadian and Mexican railroads came in at 12,232,554 carloads and intermodal units. Cumulative volume in Canada was 3,036,897 carloads, containers and trailers, down 0.2%; in Mexico, 522,423, carloads and intermodal units, up 1.4%; and in the U.S. 8,673,234 carloads and intermodal units, down 5.6%. Canadian railroads reported 89,784 carloads for the week, up 4.7%, and 70,736 intermodal units, down 15.0% compared with the same week in 2022. For the first 19 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 3,036,897 carloads, containers and trailers, down 0.2%.

20. UP's Court Challenge to CPKC: More Than Meets the Eye

On May 3, Union Pacific (UP) filed a case in the District of Columbia Circuit (D.C. Circuit), captioned *Union Pacific Railroad Company v. Surface Transportation Board and United States of America* (Case No. 1125-23). UP challenged the Surface Transportation Board's (STB's) approval of the acquisition by Canadian Pacific (CP) of Kansas City Southern (KCS), which formed the new railroad CPKC “on the grounds that the agency action is in excess of the Board's authority, that it is arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with law, and that it is not supported by substantial evidence.” UP sought relief as follows: “Union Pacific requests that this Court vacate the order under review and grant such additional relief as may be necessary and appropriate.” By now, the word of that court challenge has gotten around. *Railway Age* Editor-in-Chief William C. Vantuono reported the court filing on May 7 in a story headlined [UP Challenging CPKC Merger—After the Fact](#), and he also summarized some of the important points in the Board's March 15 decision and commented on UP's action. The next day, *Railway Age* Capitol Hill Contributing Editor Frank N. Wilner called the challenge a “shockah” (as they say in Boston) and noted in his headline that [“UP Pursues Self Interest.”](#) He began by saying: “Is this the same UP that is so zealously fighting shipper efforts to increase competition by assuring a minimum of two-railroad competition (reciprocal switching, also known as competitive access) where prior mergers, including its own, have eliminated for shippers any effective transportation alternatives to the sole-surviving railroad?” Later in his commentary, Wilner traced the history of UP's political strength during the past several decades, both at the STB and in the halls of Congress. He also said: “In defense of UP, the

seeking of monopoly is an understandable human condition” and concluded: “It ain’t personal. It’s business. And that shouldn’t be a ‘shockah.’”

21. On board for good: VIA rail provides yearly progress update on sustainability plan

VIA Rail Canada (VIA Rail) published on May 17, 2023 its sustainability plan’s yearly progress update showing steadfast advance on its sustainability journey. In the past year, the Corporation undertook several actions contributing to its 2025 objectives which include the reduction of greenhouse gas emissions, the creation of a zero-waste experience on its new Corridor fleet and the mobilization of its employees. Amongst the actions undertaken over the past year, VIA Rail: 1. Initiated the development of its decarbonization plan; 2. Extended an AI pilot project, aimed at reducing fuel consumption; 3. Made changes in packaging and products in view of our zero-waste objective; 4. Supported more than 450 non-profit organizations and charities across Canada, and reached 40% alignment with sustainability strategy compared to its 80% objective; and 5. Published and integrated its Policy on Supplier Conduct and Responsible Sourcing in new contracts, reaching 15% integration of the policy by suppliers.

22. Union group pushes for passage of rail safety bill

Rail union representatives are poised to adopt a policy statement that urges Congress to pass a rail safety bill — one that mandates a minimum of two-person crew sizes on all passenger and freight trains, regulates train lengths exceeding 7,500 feet and ensures adequate inspections of rail cars, locomotives and brakes. The latest policy statement of the Transportation Trades Department (TTD) of the AFL-CIO cites at least 18 areas where regulations and guidance via the Federal Railroad Administration can bolster existing rail safety practices. TTD expects to formally adopt the statement at its spring summit on May 17, 2023, when 37 unions, including all U.S. rail labor unions, are convening at AFL-CIO headquarters in Washington. “The scope and ambition of legislation from Congress must reflect the scope of the problem. Rail workers witness the effects of their employers’ total disregard for safety every single day on the job,” TTD said in the statement.

23. CN on Grain: Government Doesn’t Know How to Bake

While stressing that “there are tremendous opportunities to grow Canada’s grain supply chain” as it “invests in its network and increases supply chain performance through collaboration with customers and a fact-based approach to improve end-to-end efficiency,” CN says that new regulations “based on incomplete data and anecdotal evidence will only end up stifling investment and constraining supply chain capacity, effectively putting a cap on the industry’s growth potential. Canada deserves systems that measure and report on the entire supply chain.” The Government of Canada’s 2023 budget contemplates establishment of a [Transportation Supply Chain Office](#), which it claims 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.” However, CN notes, “it is important to look at the current state of supply chain data and reporting what’s available, what’s not, and what’s needed. After review, a clear gap emerges. Today’s government focuses almost exclusively on a single link in the entire end-to-end supply chain: rail transportation. If Canada hopes to improve how supply chains work, we need to change how we measure and report on data. A balanced approach that considers all parts of the supply chain will help decision makers better understand what is going on when problems arise and why.

24. For Week 20, Carloads, Intermodal Volume Decline

U.S rail traffic in Week 20 (ending May 20, 2023) lagged the same week last year—falling 5.2%, according to the Association of American Railroads’ May 24, 2023 report. Both carloads and intermodal volume were down. According to the [AAR](#), U.S. Class I railroads hauled a total of 470,694 carloads and intermodal units during the week ending May 20, 2023 comprising 225,093 carloads—down 0.4% from the same week last year—and 245,601 containers and trailers—down 9.3% from 2022. North American rail volume for the week ending May 20, 2023, on 12 reporting U.S., Canadian and Mexican railroads totaled 330,235 carloads, up 0.3% from the same week last year, and 331,392 intermodal units, down 9.3% from 2022. Total combined weekly rail traffic in North America was 661,627 carloads and intermodal units, falling 4.8%. North American rail volume for the first 20 weeks of 2023 came in at 12,894,181 carloads and intermodal units, a 4.1% decrease compared with 2022. Canadian railroads reported 87,662 carloads for the week ending May 20, 2023, increasing 1.3%, and 74,548 intermodal units, decreasing 10.3% compared with the same week last year. For the first 20 weeks of 2023, they reported cumulative rail traffic volume of 3,199,107 carloads, containers and trailers, down 0.4%.

25. TCRC Ratifies CN Collective Agreement and CN, TCRC Ratify Collective Agreement

CN announced on May 26, 2023 that the Teamsters Canada Rail Conference (TCRC) has ratified its collective agreement with the Company. The union represents approximately 6,000 CN Locomotive Engineers, Conductors, Yard Conductors, and Yard Coordinators working in Canada. Tracy Robinson, President and Chief Executive Officer, CN “We are pleased that TCRC members have ratified the collective agreement reached earlier this year. We thank the TCRC leadership for their engagement throughout this process. We remain committed to working with this important group to ensure continued service for our customers and improved working conditions for our team members.

HIGHWAY TRANSPORTATION

1. Couriers and Messengers Services Price Index, March 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for March 2023 on Statistics Canada website. The index was 128.1 a decline from 131.9 from February 2023 and 134.2 for December 2022. In March 2022, the index was 119.5.

2. Feedback Required on Inter-Provincial Trade Barriers

In recent weeks, CTA has heard from members and provincial associations from across the country about the need to address and remove inter-provincial trucking barriers that create logistical and operational issues for fleets, and other constraints/irritants that lead to unnecessary supply chain inefficiencies and delays for drivers. Policies around winter maintenance agreements or permitting regimes impacting oversize/overweight loads and operators have been mentioned recently as examples. CTA is in the process of writing a letter to the federal Minister of Inter-Governmental Affairs that will highlight items which are relatively simple policy/regulatory changes that can be undertaken and addressed right away. For example, there may be jurisdictions that require flags instead of lights on oversize loads or that some jurisdictions only allow travel during full day light vs. dusk and dawn hours, or other illogical constraints.

3. Mullen bucks trend with record Q1 earnings

Mullen Group has bucked a trend among publicly traded fleets by recording record 2023 Q1 earnings, including a 9% increase in revenue and 93% surge in net income. Senior executive officer and chairman Murray Mullen credited the LTL business in particular, as it drove the strong first quarter while maintaining market share and managing rising costs. “Volumes held steady, backstopped by solid end consumer demand, and we added a couple of tuck-in acquisitions over the past year. Building lane density and critical mass are two important keys to generating a profitable business and I am delighted to report our 11 LTL business units continue to execute to plan. In addition, our specialized and industrial services segment generated solid gains, primarily due to increased investment by the oil and natural gas industry in western Canada,” Mullen said in a press release.

4. Volta Trucks confirms US launch

Volta Trucks has confirmed the US launch and first public display of the all-electric Volta Zero at the Advanced Clean Transportation (ACT) Expo between May 1 and 4, 2023. The introduction of Volta Trucks’s all-electric commercial vehicles into North America will be led in 2023 by the Class 6 and Class 7 Volta Zero (equivalent to the existing European 16-ton truck), which will be available with an ambient or refrigerated cargo box. In late 2023, Volta Trucks will launch a US-based Driving Experience Program for fleet operators to evaluate a pilot fleet of Volta Zeros in real distribution environments to understand how the electric delivery trucks will integrate into their operations. A similar program is currently launching across six European countries. The program will start on the US west coast, ahead of a roll out of production vehicles expected in 2024.

5. FMCSA Forms New Task Force to Combat Predatory Leasing Practices

On May 1, 2023, the U.S. Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA) announced the nine members who will serve on the Truck Leasing Task Force (TLTF) chartered by Transportation Secretary Pete Buttigieg. TLTF will evaluate lease agreements in the industry and their potential safety and financial impacts on owner-operators. TLTF is established as a statutory committee under the authority of Section 23009 of the Infrastructure Investment and Jobs Act (IIJA), Pub. L. 117-58 (2021), in accordance with the Federal Advisory

HIGHWAY TRANSPORTATION

Canada

1. Couriers and Messengers Services Price Index, March 2023, April 28, 2023, www.statcan.gc.ca
2. Feedback Required on Inter-Provincial Trade Barriers, April 28, 2023, www.ontruck.ca
3. Mullen bucks trend with record Q1 earnings, April 28, 2023, www.todaystrucking.com
4. Volta Trucks confirms US launch, April 28, 2023, www.insidelogistics.ca
5. FMCSA Forms New Task Force to Combat Predatory Leasing Practices, May 1, 2023, www.dot.gov
6. TFI buys Siemens Transportation Group, May 2, 2023, www.insidelogistics.ca
7. Ontario Launching Debit Payment on PRESTO Devices, May 2, 2023, www.mto.gov.on.ca
8. Canada’s biggest truck fleets in 2023: The Top 100 list revealed, May 2, 2023, www.todaystrucking.com
9. U.S. Government to Remove Border Vaccine Requirements as of May 12, 2023, May 2, 2023, www.ontruck.ca
10. Manitoba to spend \$33.5M on Trans-Canada Highway upgrades, May 3, 2023, www.todaystrucking.com
11. Economic Trucking Trends: Truck orders fall, signs of a spot market turnaround, May 5, 2023, www.todaystrucking.com
12. Regulatory Reform for Air Brake Endorsements Being Rolled Out, May 8, 2023, www.ontruck.ca
13. Paccar, Toyota bringing fuel-cell-electric trucks to market, May 9, 2023, www.todaystrucking.com
14. March 2023 Freight Transportation Services Index (TSI), May 9, 2023, www.bts.gov
15. ACT: Strong Class 8 Production to Exhaust Pent Up Demand in 2023, May 12, 2023, www.ontruck.ca
16. Low Rates, High Rents, May 12, 2023, www.ajot.com
17. Proper inspections every day will keep Roadcheck stress away, May 14, 2023, www.todaystrucking.com
18. U.S. Transportation Secretary Buttigieg Joins Canadian Minister of Transport and U.S. Secretary of Transportation announce the first Canada and United States Alternative Fuel Corridor, May 16, 2023, www.dot.gov
19. Driver Inc, a Tax Avoidance and Labour Abuse Scam, Throws Canada’s Trucking Sector into Crisis, May 16, 2023, www.ontruck.ca
20. Survey finds 28% considered leaving trucking jobs in past year, May 16, 2023, www.todaystrucking.com
21. CTA Seeking Feedback on Inter-Provincial Trucking Barriers, May 17, 2023, www.ontruck.ca
22. Canada’s Minister of Transport and U.S. Secretary of Transportation announce the first Canada and United States Alternative Fuel Corridor, May 16, 2023, www.tc.gc.ca
23. Urban public transit, March 2023, May 18, 2023, www.statcan.gc.ca
24. Borderlands: Uber Freight report says cross-border trucking showing continued resilience, May 21, 2023, www.freightwaves.com

Committee Act (FACA), as amended, 5 U.S.C. App. 2. TLTF will address areas that have long needed intense focus. It will be tasked with providing best practices to assist drivers in assessing the impacts of a leasing agreement prior to entering into such agreement and recommendations on changes to laws to promote fair leasing agreements. TLTF's work will contribute to FMCSA's efforts to ensure that drivers have access to fair leasing agreements.

6. TFI buys Siemens Transportation Group

TFI International Inc. announced it is acquiring Siemens Transportation Group (STG). Founded in 1962, and based in Saskatoon, Saskatchewan, STG is a family-owned business. The majority of STG's operations are LTL (less-than-truckload), with a smaller portion of its business in truckload and flatbed. It has 15 terminals, including 11 in Canada and four in the US, generating annual revenues of approximately \$150 million. STG's Doug Siemens will continue to manage the business as part of TFI's Less-Than-Truckload segment, reporting to executive vice-president Chris Traikos. The transaction is subject to regulatory approval. Terms were not disclosed. TFI has also completed the acquisition of Hot Line Freight Systems.

7. Ontario Launching Debit Payment on PRESTO Devices

The Ontario government is making it easier to take transit by giving riders more ways to pay. Beginning on May 2, 2023, riders on GO Transit, UP

Express, Brampton Transit, Burlington Transit, Durham Region Transit, Hamilton Street Railway, MiWay in Mississauga, Oakville Transit and York Region Transit can pay fares by tapping a debit card on a PRESTO device, including debit cards on a smartphone or smartwatch.

8. Canada's biggest truck fleets in 2023: The Top 100 list revealed

Today's Trucking has compiled the list of the Top 100 – Canada's biggest for-hire fleets based on equipment counts. And some familiar names continue to dominate the top of the list. TFI International maintains its position as Canada's biggest fleet, followed by Day & Ross, and Mullen Group. Bison Transport moves into the fourth spot, followed by Canadian National Transportation. The full data can be accessed and sorted at www.trucknews.com/top-100.

9. U.S. Government to Remove Border Vaccine Requirements as of May 12, 2023

The U.S. Department of Homeland Security (DHS) announced it will be removing border vaccine requirements impacting all non-U.S. citizens entering the country as of May 12, 2023. A statement from the DHS confirmed the removal of the mandate stating the following: "Beginning May 12, 2023, DHS will no longer require non-U.S. travelers entering the United States via land ports of entry and ferry terminals to be fully vaccinated against COVID-19 and provide related proof of vaccination upon request. DHS intends to rescind these Title 19 travel restrictions in alignment with the end of the Public Health Emergency and the termination of the Presidential Proclamation on air travel." The White House also confirmed the removal of the mandate along with a number of additional COVID related emergency measures, and further stating that additional details relating to the ending of these requirements would be available in the coming days.

10. Manitoba to spend \$33.5M on Trans-Canada Highway upgrades

Manitoba will invest nearly \$33.5 million on a section of the Trans-Canada Highway on the western outskirts of Winnipeg. The section of the highway through the Rural Municipality of Headingley will receive several upgrades over the next two years so traffic can move more safely and efficiently, Transportation and Infrastructure Minister Doyle Piwniuk announced in a news release. "The Trans-Canada Highway is a vital artery in our province. This major investment will improve the infrastructure on a major economic corridor that helps connect Manitoba to the rest of the country," said Piwniuk. "In addition to the commercial benefits, the upgrades will ensure Manitobans have access to safe, reliable infrastructure for many generations to come."

11. Economic Trucking Trends: Truck orders fall, signs of a spot market turnaround

Class 8 orders continued to fall in April 2023, with FTR reporting preliminary orders of 12,050 units. That's down 37% from March and marks the sixth decline in the last seven months. Orders were down 20% from year-ago levels. Not big surprise, FTR chairman Eric Starks said in a press release. Demand remains strong but build slots are filled for the year. "When 2024 order boards open later this year, we anticipate some modest additional strength in order activity. There still are indications that fleets are requesting equipment, and there has been no notable uptick in cancellations," Starks said. "With build strong over the last several months, backlogs will have come down during April. The incoming order rate for March was 145,000 annualized, which is on par with the weak order levels during the summer

25. Trucking Workers Widely Satisfied With Industry Jobs: TT, May 19, 2023, www.ontruck.ca

26. Late US produce season boosting spot reefer truckload rates, May 22, 2023, www.joc.com

27. House transportation committee OKs \$755M to expand truck parking, May 23, 2023, www.freightwaves.com

28. North American Transborder Freight down 0.3% in March 2023 from March 2022, May 24, 2023, www.bts.gov

29. U.S. House votes down truck emissions rules, Biden expected to veto, May 24, 2023, www.todaystrucking.ca

30. Manitoba to Twin Trans-Canada from Falcon Lake to Ontario Border, May 26, 2023, www.ontruck.ca

31. Manitoba, federal governments invest \$38.2 million to reduce emissions, May 26, 2023, www.todaystrucking.com

32. Borderlands: Laredo remains nation's No. 1 gateway for international trade, May 28, 2023, www.freightwaves.com

33. MTO Conducting Roadside Data Surveys with Drivers, May 29, 2023, www.ontruck.ca

of 2022. Despite the weakness, we do not anticipate much, if any, negative impact on production levels over the next few quarters.”

12. Regulatory Reform for Air Brake Endorsements Being Rolled Out

The Ministry of Transportation (MTO) on May 8, 2023 announced to industry stakeholders it is moving forward with an online air brake learning module for air brake (Z) endorsement holders. The decision was applauded by the Ontario Trucking Association, which says the move is supported by most truck drivers and fleets, providing them with more flexible, modernized options for drivers to renew air brake endorsements on existing licences. The new options are also expected to improve truck driver retention and support, while reducing red tape for drivers and operators. The air brake learning module will be designed specifically for drivers and focus on the knowledge and skills air brake endorsement holders must have to safely operate a vehicle with air brakes. The module will take approximately 30 minutes to complete. The program only affects air brake renewals and does not in any way change testing requirements for drivers to receive a licence.

13. Paccar, Toyota bringing fuel-cell-electric trucks to market

Paccar will bring hydrogen-powered trucks to Canada and the U.S. as early as next year, producing Kenworth and Peterbilt Class 8 units that draw on Toyota’s Gen 2 hydrogen fuel cell module. Series production is set to begin in 2025. “Today a new partnership is born that will set the stage for the next 100 years,” said John Rich, Paccar vice-president and chief technology officer, during a keynote presentation at ACT Expo.

14. March 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, fell 4.1% in March 2023 from February 2023, falling after a one month increase, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). From March 2022 to March 2023 the index fell 4.3%.

15. ACT: Strong Class 8 Production to Exhaust Pent Up Demand in 2023

Class 8 demand to this point has remained relatively resilient, but ACT Research sees clear softening in big fleet profitability and other ancillary metrics. Expectations, as published in the latest release of the North American Commercial Vehicle OUTLOOK, are that current strong production and sales in the face of weak freight creation will exhaust pent-up demand in 2023, as lower freight rates, higher equipment and borrowing costs, improved equipment availability, and shrinking profits put downward pressure on demand overall. “Even as the Class 8 market comes under increasing pressure, van trailer demand continues to enjoy secular support from the move to ‘power-only brokerage,’ which has big fleets and logistics companies looking to boost trailer to tractor ratios to bolster spot market productivity,” according to Kenny Vieth, ACT’s President and Senior Analyst.

16. Low Rates, High Rents

The shift in consumer spending from fewer goods to more services has not been good for transportation, but transport landlords are holding the line on rents. The “transportation recession” is now one year old and in full spring bloom. Transportation companies generally enjoy an annual late Q1 surge in freight as retailers boost inventories for the spring/summer, but not this spring. A review of 25 Q1 reports from all corners of the transportation industry found most transportation companies are reducing their whole-year guidance, lamenting continued strong headwinds in their business segments, seeing margins narrow and ORs rise, and/or are looking to shed capacity. You would think that would portend an end to a red-hot transportation real estate rental market, but you would be wrong. Recent leases we’ve inked suggest that transport real estate landlords have been holding the line on rents for the places transport companies park, clean, repair, load, and unload their trucks, trains, and planes. While transportation companies are stalling on new market openings and branch expansions (tenant demand is hovering at around 60% of 2022 levels), when leases do get signed, transport real estate rents seem to be holding their own.

17. Proper inspections every day will keep Roadcheck stress away

Don’t say you weren’t warned. Carriers and drivers might want to pay extra attention to cargo securement and anti-lock braking systems (ABS) on their trucks because hawk-eyed enforcement officials will be focusing on them in a coming blitz. Commercial Vehicle Safety Alliance’s (CVSA) [International Roadcheck](#) is around the corner on May 16-18, and thousands of commercial vehicles will be inspected during the 72-hour blitz in Canada, U.S., and Mexico. Last year, Canadian enforcement teams placed 22.6% of inspected vehicles out of service during a May 17-19 campaign, compared to a 23.8% out-of-service rate in the U.S. Canadian teams completed 3,359 Level 1 inspections, placing 760 vehicles and 191 drivers out of service, CVSA reported. In Canada, the top five vehicle out-of-service violations last year involved brake systems, cargo securement, defective service brakes, lights and tires.

18. U.S. Transportation Secretary Buttigieg Joins Canadian Minister of Transport Alghabra, Michigan Governor Whitmer and Mayor Duggan to Announce the First U.S.-Canada Electric Vehicle Corridor

On May 16, 2023, U.S. Transportation Secretary Pete Buttigieg joined Canadian Minister of Transport Omar Alghabra, Michigan Governor Gretchen Whitmer, Detroit Mayor Mike Duggan, and IBEW Member Bill Baisden to announce the

first Binational Electric Vehicle (EV) Corridor, and to celebrate the continued collaboration between the U.S. and Canada to lead the world in electric vehicle jobs, manufacturing, and supply chains. The new EV corridor will stretch from Kalamazoo, Michigan, to Quebec City, Quebec, tapping into the 75,000+ miles of Alternative Fuel Corridors in the United States. The Corridor will feature DC fast chargers approximately every 50 miles, or 80 kilometers. This announcements builds on President Biden's March visit to Canada, where he and Prime Minister Trudeau committed to work together to harmonize EV charging standards and develop cross-border alternative fuel corridors between the U.S. and Canada, further strengthening the world's largest market-based energy trading relationship.

19. Driver Inc, a Tax Avoidance and Labour Abuse Scam, Throws Canada's Trucking Sector into Crisis

Teamsters Canada, the Canadian Trucking Alliance (CTA), and the Association du camionnage du Québec (ACQ) have joined forces to call for urgent federal action to put the brakes on the growing Driver Inc crisis in the country's trucking sector. Successive governments have failed to address the issue, allowing the problem to fester over decades and become a crisis. The Driver Inc crisis is a tax scam and employee misclassification scam. It sees truck drivers incorporate, often at the request of dishonest employers, under the guise of paying lower taxes and avoiding other payroll deductions. But in reality, these drivers are indistinguishable from regular employees, lacking truck ownership, route choice, or any real degree of independence or financial risk.

20. Survey finds 28% considered leaving trucking jobs in past year

Trucking employees may be relatively satisfied in their jobs, but more than one in four of those surveyed say they have considered leaving their employers in the past year. The latest *Today's Trucking Pulse Reader Survey* revealed an average 7.9/10 ranking of job satisfaction, but 28% of those who participated said they considered changing employers in the past year. Results were drawn from an online survey of 206 respondents. If they left their current job, 37% said they would work for another employer in trucking, 16% would change industries, and 47% would retire.

Survey finds 28% considered leaving trucking jobs in past year, May 16, 2023, www.todaystrucking.com

21. CTA Seeking Feedback on Inter-Provincial Trucking Barriers

The Canadian Trucking Alliance (CTA) is asking members for feedback by outlining inter-provincial trucking barriers that create logistical and operational issues for fleets, as well as other constraints/irritants leading to supply chain inefficiencies and delays for drivers. The Alliance plans to raise these concerns to the Government of Canada in June and present potential solutions. Some recurring concerns that have been raised by members in the past include policies around winter maintenance agreements; the need for increased rest areas to serve truck drivers; and issues for oversize/overweight carriers with permitting regimes, or other illogical constraints between jurisdictions, such as time of day travel restrictions and other issues impacting supply chain fluidity.

22. Canada's Minister of Transport and U.S. Secretary of Transportation announce the first Canada and United States Alternative Fuel Corridor

On May 16, 2023, the Minister of Transport, the Honourable Omar Alghabra and Pete Buttigieg, United States Secretary of Transportation, announced the first Canada and United States Alternative Fuel Corridor. The corridor meets the following requirements: 1. Electric vehicle charging infrastructure would be installed every 80 km (50 miles); and 2. Include at least one Direct Current (DC) fast chargers with Combined Charging System (CCS) ports. The corridor runs from Kalamazoo, in Michigan, to Québec City, Québec. It passes along: 1. I-94 highway, through the tunnel in Detroit to the Canadian side of the border; 2. Highway 401, through Toronto; 3. Highway 20 in Montréal; and, 4. Highway 40 through Québec City. Defining a binational Alternative Fuel Corridor will guarantee that Canadian and U.S. drivers will be able to travel across the border and charge their vehicles.

23. Urban public transit, March 2023

Canada's urban transit networks recorded an estimated 121.5 million rides in March 2023, an increase of 36.5% (+32.5 million trips) from March 2022, marking 24 straight months of year-over-year increases. With employment edging up coupled with elevated gas prices, ridership in March 2023 recovered to its highest monthly total since the pandemic started, with the number of passenger trips reaching 73.8% of its pre-pandemic level from March 2019. However, there were 43.2 million fewer passenger trips in March 2023 compared with the same month in 2019. On a monthly basis, public transit ridership in March increased by 12.2 million rides (+11.2%) from February, higher than the typical seasonal rise of just over 7% observed in the two years before the pandemic. In March 2023, transit agency operating revenues (excluding subsidies) were \$281.3 million, an increase of \$85.6 million (+43.7%) from March 2022, but \$59.8 million lower than the pre-pandemic March 2019 level.

24. Borderlands: Uber Freight report says cross-border trucking showing continued resilience

While the road ahead remains rocky for most segments of the global trucking sector, nearshoring of manufacturing to Mexico will continue to boost cross-border freight flows in North America, according to Uber Freight. The digital freight brokerage service recently released its second-quarter update on global freight markets, which points to more exports from Mexico to the U.S. this year. "The opening of new manufacturing companies in the country due to nearshoring is anticipated to affect the market imbalance between northbound and southbound shipments," the report

said. “Mexican portions may face inflation again as demand for exports increases.” Ben Enriquez, Uber Freight’s head of Mexico logistics and customs, said cross-border trucking will be stronger during the second quarter compared to domestic trucking in the U.S. “Cross-border will be more resilient. There are a lot of manufacturing companies [in Mexico] that are shipping direct to U.S. distribution centers for consumers,” Enriquez told *FreightWaves*.

25. Trucking Workers Widely Satisfied With Industry Jobs: TT

The latest *Today’s Trucking* Pulse Reader Survey found that trucking industry employees reported an average 7.9/10 ranking of job satisfaction. The survey also revealed that over 70% have not considered changing employers. Out of the 28% who did, 37% said they would work for another employer in trucking, 16% would change industries, and 47% would retire. Forty-four percent of those surveyed have worked for three to five industry employers during their careers, reports TT. The biggest factor that led respondents to their current employer was better pay (21%), followed by the promise of challenging or interesting work (15%), the company’s reputation (14%), career advancement (13%), and hours of work or scheduling (12%).

26. Late US produce season boosting spot reefer truckload rates

A slow-blooming US produce season is tightening refrigerated (reefer) truck capacity in some markets and pushing up reefer and dry-van spot truckload rates. Spot market data and other sources show produce trucking growing at the US-Mexican border and rising more slowly in California. “National refrigerated spot rates are up 5 cents a mile this week, and that’s substantial,” Dean Croke, principal analyst with load board operator DAT Freight & Analytics, told the *Journal of Commerce* on May 26, 2023. “Even dry-van rates are up 5 cents,” a sign that the truckload spot market likely found its bottom in recent weeks, he added.

27. House transportation committee OKs \$755M to expand truck parking

Legislation to invest \$755 million over three years to expand truck parking in the U.S. advanced in the House on May 22, 2023 after an opponent won assurances that the money would come from funds already authorized by Congress. “Much has been made of the shortage of truck parking without looking at the underlying issue: namely, the onerous hours-of-service regulations imposed on our nation’s commercial drivers, forcing them off the road into full parking lots,” said U.S. Rep. Scott Perry, R-Pa., during debate in the House Transportation and Infrastructure Committee on the *Truck Parking Safety Improvement Act*. The legislation was introduced earlier this year in both the House and Senate. Perry, who called the bill a “boondoggle,” said he and his constituents “want to be informed before we encumber the U.S. taxpayer to pay for this thing. If there’s not a pay-for, I’m offering it.” To foot the \$755 million bill, Perry offered an amendment that would rescind that amount from the Neighborhood Access and Equity Grant Program, an Inflation Reduction Act provision that allocates \$1.9 billion for grants that improve transportation access in disadvantaged communities.

28. North American Transborder Freight down 0.3% in March 2023 from March 2022

Transborder freight between the U.S. and North American countries Canada and Mexico for March 2023 compared to March 2022 were as follows: 1. Total transborder freight: \$141.5 billion of transborder freight moved by all modes of transportation, down 0.3% compared to March 2022; 2. Freight between the U.S. and Canada totalled \$69.4 billion, down 4.8% from March 2022; 3. Freight between the U.S. and Mexico totalled \$72.1 billion, up 4.5% from March 2022; 4. Trucks moved \$90.2 billion of freight, up 5.4% compared to March 2022 with increased exports of electrical machinery, computers, and vehicle parts from Mexico; 5. Railways moved \$18.6 billion of freight, down 7.9% compared to March 2022; 6. Pipelines moved \$10.1 billion of freight, down 17.6% compared to March 2022; 7. Vessels moved \$10.8 billion of freight, down 9.8% compared to March 2022; and 8. Air moved \$5.2 billion of freight, down 7.9% compared to March 2022. US-Canada freight (both directions) was as follows: 1. Truck - \$39.4b; 2. Rail \$10.0b; 3. Pipeline \$9.5b; 4. Air \$3.3b; and 5. Vessel \$2.8b.

29. U.S. House votes down truck emissions rules, Biden expected to veto

The U.S. House of Representatives has voted to overturn tighter NOx emissions standards for trucks, in a decision expected to be vetoed by President Joe Biden. “Woke bureaucrats in Washington are on a climate justice crusade using the heavy hands of government to go after the trucking industry that keeps America moving,” Congressman Troy Nehls (R-Texas) said on the House floor. “In the last three decades we’ve made significant strides in the right direction to decrease emissions and increase efficiencies.” The standards introduced last December by the U.S. Environmental Protection Agency apply beginning in Model Year 2027 place a particular focus on nitrogen oxides (NOx), setting limits 80% tighter than those in place today.

30. Manitoba to Twin Trans-Canada from Falcon Lake to Ontario Border

Manitoba will twin the Trans-Canada Highway from Falcon Lake to the Ontario border, the province announced. The 16-km stretch of highway will have four lanes of traffic from Falcon Lake to the Manitoba-Ontario border and the 700 metres leading up to the border will align with Ontario’s new four-lane highway. The project is expected to be completed by fall 2024. “It is important for Manitobans to have safe and reliable highways to get around this great province of ours and also to get to neighboring provinces,” Manitoba Premier Heather Stefanson said in a press release.

“That is why we have prioritized this work as it not only serves as a key trade route, but is one of the busiest stretches of highways especially during the summer months for cottagers and travelers.”

31. Manitoba, federal governments invest \$38.2 million to reduce emissions

Manitoba and the federal government will invest a collective \$38.2 million into the Efficient Trucking Program (ETP) and the province’s Merit-based programs in a bid to reduce emissions. The ETP, which covers up to half the cost of fuel-saving devices on heavy-duty vehicles or trailers, receives \$3.6 million in federal funds, while the province will contribute \$3.3 million, and participating truckers will invest \$6.6 million. Red River College Polytechnic’s Vehicle Technology and Energy Centre administers the [program](#). A second intake for [applications](#) begins Oct. 1. Building on that, the federal government will add \$25 million to \$6.25 million from Manitoba’s Merit-based program delivered by the Manitoba Climate Change and Green Plan Implementation Office. That offers funds to help shift from fossil fuels to renewable energy and improve energy efficiency. “Reducing the carbon footprint of the trucking sector is crucial to successfully attaining Manitoba’s carbon reduction goals. By partnering with the federal government, we are able to transition more vehicles and industries from fossil fuels to renewable energy,” Manitoba Environment and Climate Minister Kevin Klein said in a press release.

32. Borderlands: Laredo remains nation’s No. 1 gateway for international trade

For the second straight month, Laredo, Texas, retained the No. 1 spot among the nation’s 450 international gateways for trade. During March, Laredo recorded a 12% year-over-year (y/y) increase in total commerce to \$28.6 billion, according to the latest U.S. Census Bureau data analyzed by [WorldCity](#). Chicago O’Hare International Airport ranked No. 2 and reported \$26.4 billion in trade, while John F. Kennedy International Airport in New York was No. 3 with \$23.4 billion. The Port of Los Angeles, which held the No. 1 spot for most of 2022, fell to No. 4 in March, accounting for \$22.1 billion in trade. Mexico also ranked as the United States’ top trading partner for the fourth consecutive month in March, with total trade increasing 4.5% y/y to \$72 billion. Canada ranked No. 2, as its total trade with the U.S. decreased 5% y/y to \$69 billion in March. China ranked third with trade falling 26% y/y to \$45 billion. Exports from Laredo to the world increased 9% y/y to \$10.9 billion and imports increased 14% y/y to \$17.7 billion. Auto parts (\$2.3 billion), passenger vehicles (\$1.1 billion) and heavy-duty trucks (\$1.1 billion) were the top three imports from Mexico to the U.S. through Laredo. This week: Port Laredo remains the nation’s No. 1 gateway for international trade; rail cargo thefts were up 29% during Q1 in Mexico; a Taiwan automotive supplier is investing \$1 billion for Mexico expansion; and Forza Steel is building a plant at the Port of Brownsville.

33. MTO Conducting Roadside Data Surveys with Drivers

The Ministry of Transportation will resume data collection for the 2018-23 Commercial Vehicle Survey (CVS) in late May 2023. The survey will support the Ministry’s understanding of road-related freight to improve the efficient movement of goods across Ontario. The current survey continues the data collection program started in 2018, which was paused in 2020 due to COVID-19. Ontario’s CVS provides information about the movement of trucks and goods on provincial and municipal infrastructure and has been done approximately every five years since the 1970s. MTO aims to collect approximately 10,000 surveys across the province in 2023, adding to the 12,000 surveys that were collected in 2018 and 2019. Most surveys will be conducted away from the highway right-of-way and will not constrain traffic flows. The survey will be conducted at truck inspection stations and some lay-bys located on provincial highways only.

GENERAL TRANSPORTATION

Canada

1. CTA Provides Comments on Future Vision of Canada’s Immigration System

The Canadian Trucking Alliance (CTA) has made a formal submission on the Future Vision of Canada’s Immigration System. As part of consultations – which Immigration, Refugees and Citizenship Canada (IRCC) recently wrapped up – CTA signaled its strong support for a robust immigration system that is responsive to the Canadian economy. The trucking industry has one of the highest job vacancy rates and the oldest workforce in the country. The acute labour shortage in the industry is [well documented](#) and presents one of the [biggest threats](#) to long term economic recovery and stability.

2. EIB Board approves EUR 6.6 billion for transport, business and education investment

GENERAL TRANSPORTATION

Canada

1. CTA Provides Comments on Future Vision of Canada’s Immigration System, May 3, 2023, www.ontruck.ca
2. EIB Board approves EUR 6.6 billion for transport, business and education investment, May 3, 2023, www.europa.eu
3. Canadian international merchandise trade and services, March 2023, May 4, 2023, www.statcan.gc.ca
4. U.S. Transportation Sector Unemployment Rate of 3.8% in April 2023 Was Above the April 2022 Level of 3.6% And Was Just Above the Pre-Pandemic April Level of 3.7% in 2019, May 5, 2023, www.bts.gov
5. Canadian international merchandise trade: Annual review 2022, May 9, 2023, www.statcan.gc.ca
6. Leading indicator of international arrivals to

The Board of Directors of the European Investment Bank (EIB) on May 3, 2023 approved EUR 6.6 billion of new financing to support new sustainable transport, clean energy, corporate innovation and education investment across Europe and around the world.

3. Canadian international merchandise trade and services, March 2023

In March 2023, Canada's merchandise imports decreased 2.9%, while exports were down 0.7%. As a result, Canada's merchandise trade balance with the world moved from a revised \$487 million deficit in February to a \$972 million surplus in March. Canada's monthly international trade in services deficit was essentially unchanged in March 2023, at \$2.0 billion. Overall, exports of services were up 0.2% to \$14.0 billion, as an increase in commercial services (+0.6%) was moderated by a decline in travel services (-1.0%). Imports edged up 0.1% to \$16.0 billion, reflecting higher commercial services (+1.0%), which was partially offset by lower transportation services (-2.8%).

4. U.S. Transportation Sector Unemployment Rate of 3.8% in April 2023 Was Above the April 2022 Level of 3.6% And Was Just Above the Pre-Pandemic April Level of 3.7% in 2019

The unemployment rate in the U.S. transportation sector was 3.8% (not seasonally adjusted) in April 2023 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) [Unemployment in Transportation](#) dashboard. The April 2023 rate was above the April 2022 rate of 3.6% and was just above the pre-pandemic April level of 3.7% in 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020.

5. Canadian international merchandise trade: Annual review 2022

In 2022, the value of Canada's annual merchandise exports increased 22.5% to \$779.2 billion, while the value of annual imports rose 19.9% to \$757.4 billion. As a result, Canada's merchandise trade surplus with the world widened from \$4.6 billion in 2021 to \$21.8 billion in 2022. Compared with the value of total trade (imports and exports combined, totalling \$1.54 trillion), the trade surplus represented about 0.01% of the total trade value in 2022. To explore Canada's international merchandise trade statistics for 2022 in an interactive format, see "[The International Trade Explorer](#)" and the "[International trade monthly interactive dashboard](#)".

6. Leading indicator of international arrivals to Canada, April 2023

In April 2023, the number of non-resident trips and returning Canadian-resident trips was significantly higher than in April 2022. However, most indicators remained below levels recorded prior to the COVID-19 pandemic. In Canadian airports equipped with electronic sensors, the number of non-resident arrivals numbered 570,700 in April 2023 (+56.0% from April 2022), while the number of trips by Canadians returning from abroad numbered 1.7 million (+50.2% from April 2022). Meanwhile, US-resident trips to Canada through land ports with electronic sensors totalled 834,700 in April 2023, a year-over-year increase of 74.1%. The number of Canadian-resident return trips from the United States via the same land ports also increased by 39.5% in April 2023, to 1.8 million trips. To further explore current and historical data in an interactive format, please visit the [Frontier Counts: Interactive](#)

7. Trade by exporter and importer characteristics: Goods, 2022

Both the value of exports and imports of goods rose substantially in 2022. However, the rise in the value of trade was not reflected in the number of traders. The number of exporting enterprises (+0.7%) edged up to reach 48,036 in 2022, while the number of importing enterprises remained stable at 160,238. Most of the growth in merchandise trade value in 2022 was attributed to medium- and large-sized enterprises, defined as those with 100 or more employees. The number of these exporting and importing enterprises went up by 5.9% and 7.2%, respectively. Small enterprises, which comprised the lion's share (94.6%) of all traders in 2022, did not experience a similar rise in the number of traders year over year. The number of small-sized exporters was relatively unchanged, while the number of small-sized importers went down slightly, concentrated among those with one to nine employees (-4.0%).

8. Travel between Canada and other countries, March 2023

In March 2023, the overall number of non-resident visitors to Canada and returning Canadian residents remained at over three-quarters (77.0%) of the level seen in March 2019, before the COVID-19 pandemic. In March 2023, residents of overseas countries took 281,400 trips to Canada, and US residents took 1.1 million trips to Canada. Canadian residents returned from 4.2 million trips abroad. To further explore current and historical data in an interactive format, please visit the [Frontier Counts: Interactive Dashboard](#) on the Statistics Canada website.

9. Cutting transport CO2 now reduces investment needs for core infrastructure

Canada, April 2023, May 11, 2023, www.statcan.gc.ca

7. Trade by exporter and importer characteristics: Goods, 2022, May 18, 2023, www.statcan.gc.ca

8. Travel between Canada and other countries, March 2023, May 23, 2023, www.statcan.gc.ca

9. Cutting transport CO2 now reduces investment needs for core infrastructure, May 23, 2023, www.itf-oecd.org

10. Biden-Harris Administration Announces More than \$52 Million in Advanced Technology Grants to Improve Safety and Reduce Travel Times, May 25, 2023, www.dot.gov

11. Carbon pricing: Will maritime emissions increase as ships avoid ports within a carbon trading scheme?, May 25, 2023, www.itf-oecd.org

12. Visitor Travel Survey, fourth quarter 2022 and National Travel Survey, fourth quarter 2022, May 26, 2023, www.statcan.gc.ca

13. US-led Pacific group reaches deal on supply chain resilience, May 29, 2023, www.ajot.com

An ambitious transition to sustainable transport could be cheaper in terms of investment into core transport infrastructure than continuing as is – if action is taken now. This is the main message of the ITF Transport Outlook 2023 report of the International Transport Forum at the OECD, presented on 24 May, 2023 at the global Summit of transport ministers in Leipzig, Germany. All transport decarbonisation measures currently in place and already committed to will reduce global transport-related CO2 emissions by only 3% by 2050. The transport sector would miss by a wide margin the reduction needed to keep climate change in check. If action to decarbonise transport is ratcheted up and accelerated, the transport sector can still reduce its CO2 emissions by about 80% over the next 25 years (compared to 2019). This drop would put transport on the right path for limiting the global temperature increase to “well below” 2 degrees Celsius above pre-industrial levels, the goal of the Paris Climate Agreement

10. Biden-Harris Administration Announces More than \$52 Million in Advanced Technology Grants to Improve Safety and Reduce Travel Times

On May 25, 2023, the U.S. Department of Transportation’s Federal Highway Administration (FHWA) announced more than \$52 million in grants for eight states from the Advanced Transportation Technology and Innovation (ATTAIN) program. As part of President Biden’s Investing in America agenda, the grants will fund technology-based solutions that improve the travel experience for millions of Americans who use our highway and transit systems, with expanded eligibility for projects in communities that have previously lacked investments, including rural areas and areas of persistent poverty.

11. Carbon pricing: Will maritime emissions increase as ships avoid ports within a carbon trading scheme?

Ms Sotiria Lagouvardou, a recent PhD graduate of the Technical University of Denmark and now a Maritime Transport Specialist at the World Bank, receives the prestigious award from the International Transport Forum’s (ITF) Secretary-General Young Tae Kim during the ITF’s 2023 Summit on “Transport Enabling Sustainable Economies” in Leipzig, Germany on 25 May 2023. Her research reveals that shipping hubs outside the EU’s Emissions Trading Scheme (EU ETS) become attractive at relatively low carbon prices. The study highlights that without appropriately designed policies, hub switches could result in increased carbon emissions (or “carbon leakage”) and lost revenue for the EU ETS. In addition, such switches could threaten the economic activity and development of transshipment hubs close to hubs outside the scheme.

12. Visitor Travel Survey, fourth quarter 2022 and National Travel Survey, fourth quarter 2022

Spending in Canada by international travellers totalled \$3.0 billion in the fourth quarter of 2022, up sharply from \$1.6 billion during the same quarter of 2021, and capping a strong recovery in the number of visits by both US and overseas residents during the year. From October to December 2022, US residents visiting Canada spent \$1.7 billion, while non-resident visitors from overseas countries spent \$1.3 billion. For both segments, spending was approximately double that seen during the fourth quarter of 2021 and over three-quarters (76.5%) of that seen during the same quarter in 2019, before the COVID-19 pandemic. Canadian residents took 67.6 million trips during the fourth quarter of 2022, 13.3 million more than in the fourth quarter of 2021. During the fourth quarter of 2022, travel expenditures in the United States and overseas reached \$8.6 billion—while \$14.5 billion was spent on domestic travel, which accounted for 90.2% of all trips.

13. US-led Pacific group reaches deal on supply chain resilience

Fourteen countries in US-led Indo-Pacific trade talks agreed on supply chain coordination, the most substantial progress so far in President Joe Biden’s new initiative for the region. Commerce Secretary Gina Raimondo made the announcement on Saturday, May 28, 2023 alongside US Trade Representative Katherine Tai at a gathering of ministers from countries participating in the Indo-Pacific Economic Framework. The US began the initiative, known as IPEF, as a way to counter China’s growing influence and make up for lost ground after pulling out of previous efforts to set regional trade rules. The IPEF countries include Japan, India and South Korea, which all rank among the 10 biggest national economies in the world. The nations included in the framework represent about \$38 trillion in economic output. The framework is the most significant American economic engagement in the region since President Donald Trump pulled out of the Trans-Pacific Partnership in 2017, but it stops short of reducing tariffs like a traditional free-trade agreement, which some countries have sought. Raimondo on Saturday said the IPEF supply chain agreement includes creating a “response network” to provide emergency communications on supply chains and the establishment of a labor rights advisory board.