

# Transportation Information Update\*

"This attached Transportation Information Update was prepared by Joseph Monteiro and Gerald Robertson for the Canadian Transportation Research Forum and distributed to CILTNA's members with permission"

Editor: Joseph Monteiro\*

June 2023, 226

Associate Editor: Gerald Robertson\*

## AIR TRANSPORTATION

### 1. Air Canada and Chorus Aviation Comment on Air Canada's Bridging Agreement for Additional Regional Capacity

Air Canada and Chorus Aviation Inc., parent company of Jazz Aviation LP ("Jazz"), are providing comment on Air Canada's arrangement for additional flying capacity with another airline for up to six De Havilland Canada DHC-8 aircraft. "Jazz is our long-term Air Canada Express partner, and we are working together to increase flying activity within the framework of our existing CPA given the current, industry wide pilot situation. As these efforts continue, and to help meet the needs and expectations of the travelling public, Air Canada has entered into a bridging arrangement with another airline to provide additional regional capacity on select routes in eastern Canada," said Mr. Michael Rousseau, President and Chief Executive Officer of Air Canada. "Chorus understands that Air Canada is increasing capacity to meet travel demand and that the addition of these aircraft is a bridging solution. We confirm that this agreement does not impact Chorus financially," said Mr. Colin Copp, President and Chief Executive Officer of Chorus.

### 2. New Aspire | Air Canada Café opens today at Billy Bishop Toronto City Airport

Air Canada announced its newest Air Canada Café, in collaboration with Aspire, Swissport's premium lounge brand. Beginning June 1, 2023 eligible Air Canada customers departing from Toronto's downtown airport will have dedicated access to the only airline lounge at Billy Bishop Toronto City Airport (YTZ) to enjoy elevated comfort and convenience before they fly. The new Aspire | Air Canada Café marks the 27<sup>th</sup> lounge in Air Canada's lounge network and the sixth Canadian location for Aspire. It's a 133-seat modern respite at Billy Bishop Toronto City Airport's domestic departures terminal. Quiet workspaces, a private meeting room and premium food and drinks to stay or go are among the complimentary amenities in the café-style executive lounge. "We know how much Air Canada customers, who travel frequently within the busy Toronto-Ottawa-Montreal corridor, really value the convenience of flying out of Billy Bishop," said Jacqueline Harkness, Managing Director, Product & Services, Air Canada. "Our new Aspire | Air Canada Café at Billy Bishop builds upon the success of our first Air Canada Café at Toronto-Pearson, and is just one more way Air Canada continues to invest in the best lounge network in Canada."

### 3. Air Cargo Demand Decline Slows in April

The International Air Transport Association (IATA) released data for April 2023 global air cargo markets, showing a continued, but slower, decline against the previous year's demand performance. Global demand, measured in cargo tonne-kilometers (CTKs), fell 6.6% compared to April 2022 (-7.0% for international operations). This decline was an improvement over the previous month's performance (-7.6%). Capacity (measured in available cargo tonne-kilometers, ACTK) was up 13.4% compared to April 2022. It was also up 3.2% compared to April 2019, marking the first time in three years that the capacity has surpassed pre-COVID levels. The strong uptick is

## AIR TRANSPORTATION Canada

1. Air Canada and Chorus Aviation Comment on Air Canada's Bridging Agreement for Additional Regional Capacity, May 30, 2023, [www.aircanada.ca](http://www.aircanada.ca)
2. New Aspire | Air Canada Café opens today at Billy Bishop Toronto City Airport, June 1, 2023, [www.aircanada.ca](http://www.aircanada.ca)
3. Air Cargo Demand Decline Slows in April, May 31, 2023, [www.iata.org](http://www.iata.org)
4. American Airlines will challenge ruling that blocked JetBlue alliance, May 31, 2023, [www.ajot.com](http://www.ajot.com)
5. Travel Demand Continues Strong in April; Domestic Traffic Fully Recovered, June 1, 2023, [www.iata.org](http://www.iata.org)
6. Air Canada's Inaugural Amsterdam-Montreal Route Takes Off; Uplifts Sustainable Aviation Fuel in Amsterdam, June 2, 2023, [www.aircanada.ca](http://www.aircanada.ca)
7. U.S. Airlines' April 2023 Fuel Consumption Back to Pre-pandemic Levels; Fuel Cost per Gallon up 29.3% from Pre-pandemic level, Down Substantially from the June 2022 Recent-high of \$4.04, June 2, 2023, [www.bts.gov](http://www.bts.gov)
8. Flair tops Canadian airlines with highest number of complaints per 100 flights: report Sunwing Airlines Inc. comes second, June 5, 2023, [www.financialpost.ca](http://www.financialpost.ca)
9. Governments of Canada and the Netherlands co-host the third annual Safer Skies Forum, June 6, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Opening remarks for Canada's Minister of Transport, the Honourable Omar Alghabra, Third Safer Skies Forum, June 6, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
11. Important information for passengers affected by recent Air Canada flight delays and cancellations, June 7, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
12. March 2023 US Airline Enplanements Reach Within One Percent of All-Time Monthly High in 2019, June 8, 2023, [www.bts.gov](http://www.bts.gov)
13. WestJet Group and ALPA agreement ratified, June 9, 2023, [www.westjet.ca](http://www.westjet.ca)
14. U.S. Cargo and Passenger Airlines Added 2,867 Jobs in April 2023; Employment Remains 8.4% Above Pre-Pandemic April 2019, June 9, 2023, [www.bts.gov](http://www.bts.gov)
15. US Airlines lose \$1.2 billion in first quarter 2023, an improvement over first quarter 2022, June 12, 2023, [www.bts.gov](http://www.bts.gov)
16. JetBlue, American offer to rework alliance

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

primarily driven by belly capacity as demand in the passenger business recovers. Adjusting for this, freighter capacity declined 2.3%. Freight operations ceased in March after 2.5 years of continuous activity. Key factors influencing demand include: 1. The global new export orders component of the Purchasing Managers' Index (PMI), a leading indicator of cargo demand, improved in April 2023. China's PMI level surpassed the critical 50-mark indicating that demand for manufactured goods from the world's largest export economy is growing. 2. Global goods trade increased by 0.2% in March 2023, marking the first annual increase since November 2022. 3. Consumer and producer prices increases have moderated. The April 2023 headline Consumer Price Index (CPI) recorded rates of 5.0% in the US, 0.3% in China, and 3.5% in Japan. While Europe (excluding the UK) was higher (8.1%), it is well below its 11.5% October 2022 peak.

#### **4. American Airlines will challenge ruling that blocked JetBlue alliance**

American Airlines Group Inc. plans to appeal a federal judge's ruling that its operating alliance with JetBlue Airways Corp. violates antitrust laws and must be dismantled. The partnership, known as the Northeast Alliance, has provided consumer benefits and strengthened competition with other airlines, American Chief Executive Officer Robert Isom said on May 31, 2023 at an industry conference in New York. "I, quite frankly, disagree with the ruling," he said. "We've got a legal system that allows for appeal and we're going to do that." The ruling this month to shut down the partnership was a blow for the carriers, which have criticized the judge's decision as "plainly incorrect" and based on no proof of harm to consumers. American and JetBlue created the partnership in 2020 to compete more effectively against Delta Air Lines Inc. and United Airlines Holdings Inc. in the New York City area and Boston. American's flights in the New York region, excluding routes between its hubs and those of partner airlines, is less than 5% of total capacity and loss of the alliance would not have a material impact to its earnings, Chief Financial Officer Devon May reiterated at the same event.

#### **5. Travel Demand Continues Strong in April; Domestic Traffic Fully Recovered**

The International Air Transport Association (IATA) announced continued strong passenger traffic demand in April 2023. *Total traffic* in April 2023 (measured in revenue passenger kilometers or RPKs) rose 45.8% compared to April 2022. Globally, traffic is now at 90.5% of pre-Covid levels. At 81.3%, industry load factor was only 1.8 percentage points below pre-pandemic level. *Domestic traffic* for April rose 42.6% compared to the year-ago period and has now fully recovered, posting a 2.9% increase over the April 2019 results. *International traffic* climbed 48.0% versus April 2022 with all markets recording healthy growth, with carriers in the Asia-Pacific region continuing to lead the recovery. International RPKs reached 83.6% of April 2019 levels. "April continued the strong traffic trend we saw in the 2023 first quarter. The easing of inflation and rising consumer confidence in most OECD countries combined with declining jet fuel prices, suggests sustained strong air travel demand and moderating cost pressures," said Willie Walsh, IATA's Director General.

#### **6. Air Canada's Inaugural Amsterdam-Montreal Route Takes Off; Uplifts Sustainable Aviation Fuel in Amsterdam**

Air Canada completed its inaugural Montreal to Amsterdam flights on June 2, 2023, with a Boeing 787 Dreamliner using sustainable aviation fuel. Coinciding with the launch of Air Canada's second route from Amsterdam to Canada, the airline is further advancing initiatives in its Climate Action Plan by expanding its partnership with Sustainable Aviation Fuel (SAF) producer Neste in Europe to now incorporate Neste MY Sustainable Aviation Fuel™ in

after legal setback, June 12, 2023, [www.ajot.com](http://www.ajot.com)

17. Sabre and Air Canada form strategic distribution and retailing partnership, June 13, 2023, [www.aircanada.ca](http://www.aircanada.ca)

18. WestJet Cargo launches Bike'Air, the safest and smoothest motorcycle air transportation option, June 13, 2023, [www.ajot.com](http://www.ajot.com)

19. Air Canada to Launch New Vancouver to Singapore Service, June 14, 2023, [www.aircanada.ca](http://www.aircanada.ca)

20. Air Canada Adds Magic to Summer Family Travel with New Walt Disney World Resort-Themed Safety Video, June 15, 2023, [www.aircanada.ca](http://www.aircanada.ca)

21. Airline Associations Join Together to Call for Global Alignment of Slot Regulations, June 15, 2023, [www.iata.org](http://www.iata.org)

22. Annual civil aviation statistics: First look, 2022, June 16, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)

23. Flair CEO Stephen Jones on why it's shaping up to be a hot, hot summer for air travel, June 16, 2023, [www.financialpost.cs](http://www.financialpost.cs)

24. WestJet to shut down Sunwing Airlines, merge it with mainline business, June 17, 2023, [www.cbcnews.ca](http://www.cbcnews.ca)

25. The WestJet Group provides update on integration of Sunwing Airlines and Swoop, June 19, 2023, [www.westjet.ca](http://www.westjet.ca)

26. WestJet inaugurates service between Saskatoon and Minneapolis, June 19, 2023, [www.westjet.ca](http://www.westjet.ca)

27. Canadian Airports React to New Air Sector Legislation, June 20, 2023, [www.cacairports.ca](http://www.cacairports.ca)

28. Air Canada Named World's Most Family Friendly Airline and Top Canadian Carrier at 2023 Skytrax World Airline Awards, June 20, 2023, [www.aircanada.ca](http://www.aircanada.ca)

29. Porter Airlines introduces Winnipeg to its network, June 20, 2023, [www.flyporter.ca](http://www.flyporter.ca)

30. Star Alliance Named World's Best Airline Alliance at the Skytrax 2023 World Airline Awards, June 21, 2023, [www.aircanada.ca](http://www.aircanada.ca)

31. Air Canada Announces Prepayment of EDC Financed Loans used to Acquire 19 Airbus A220-300 Aircraft, June 21, 2023, [www.aircanada.ca](http://www.aircanada.ca)

32. Proposed legislative changes to enhance transparency and accountability in the transportation system, June 22, 2023, [www.tc.gc.ca](http://www.tc.gc.ca); and Minister of Transport introduces Bill C-52 to ensure accountability and transparency in the national transportation sector for Canadians, June 22, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)

33. Porter Airlines adds St. John's to Toronto-Pearson network, June 22, 2023, [www.flyporter.com](http://www.flyporter.com)

34. IATA Launches World Sustainability Symposium, June 26, 2023, [www.iata.org](http://www.iata.org)

35. Minister of Transport announces Canada's first proposed drone safety regulations for beyond visual line-of-sight operations, June 23, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)

36. Canadian Transportation Agency issues final decision about travelling with emotional support animals, June 23, 2023, [www.otc.cta.gc.ca](http://www.otc.cta.gc.ca)

some of its flights at Amsterdam Schiphol Airport. Use of SAF could reduce greenhouse gas (GHG) emissions by up to 80% over the fuel's life cycle, compared to use of conventional jet fuel. This reduction is calculated based

37. Porter Airlines expands presence in British Columbia with service between Victoria and Toronto Pearson, June 27, 2023, [www.flyporter.com](http://www.flyporter.com)

on a full lifecycle assessment. "We are thrilled to launch our new, non-stop service between Amsterdam and Montreal for summer 2023, which complements our year-round flights between the Dutch capital and Toronto. The start of our flights between Montreal and Amsterdam also marks our first SAF supply in Europe and demonstrates the value of this proven technology. Along with the entire Canadian aviation industry, we believe Canada should invest in SAF production and call upon government and other stakeholders to make this a priority," said Michael Rousseau, President and Chief Executive Officer at Air Canada.

#### **7. U.S. Airlines' April 2023 Fuel Consumption Back to Pre-pandemic Levels; Fuel Cost per Gallon up 29.3% from Pre-pandemic level, Down Substantially from the June 2022 Recent-high of \$4.04**

The Department of Transportation's Bureau of Transportation Statistics (BTS) on June 2, 2023 released U.S. airlines' April 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.484 billion gallons of fuel, 3.9% less fuel than in March 2023 (1.545 billion gallons) and 0.1% less than in pre-pandemic April 2019. The cost per gallon of fuel in April 2023 (\$2.66) was down 26 cents (8.8%) from March 2023 (\$2.91) and up \$0.60 (29.3%) from April 2019. Total April 2023 fuel expenditure (\$3.94B) was down 12.4% from March 2023 (\$4.50B) and up 29.1% from pre-pandemic April 2019. Year-over-year changes in fuel consumption and cost for April 2023 include 6.8% increase in domestic fuel consumption, 20.6% decrease in domestic fuel cost, and 25.6% decrease in cost per gallon. Domestic fuel consumption decreased 6.4% from March 2023 to April 2023, while increasing 0.5% from April 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

#### **8. Flair tops Canadian airlines with highest number of complaints per 100 flights: report Sunwing Airlines Inc. comes second**

Flair Airlines Ltd. has the highest number of complaints per 100 flights of all the major airlines in Canada, according to the Canadian Transportation Agency, as airlines have had a rocky recovery year with delayed and cancelled flights. Between April 1, 2022 and March 31, 2023, Flair saw an average of 15.3 complaints per 100 flights according to the report published in late April 2023. Back in March 2023, Flair saw four of its leased planes seized because of overdue payments, causing hundreds of cancelled flights. Sunwing Airlines Inc. came second at 13.8 complaints per 100 flights, and Swoop Inc. was third at 13.2. Meanwhile, WestJet had 6.6 complaints per 100 flights, Air Canada had 4.3 and Air Transat averaged 3.3 complaints.

#### **9. Governments of Canada and the Netherlands co-host the third annual Safer Skies Forum**

On June 6, 2023, the Minister of Transport, the Honourable Omar Alghabra, in partnership with Mark Harbers, Minister of Infrastructure and Water Management for the Netherlands, officially opened and addressed the third Safer Skies Forum. Canada and the Netherlands are co-hosting the event, the only international forum dedicated to mitigating airspace risks over or near conflict zones. It brings together expert partners from states, international organizations, and the civil aviation industry. The third Safer Skies Forum will include discussions on how to better protect civil aviation from the risks posed by conflict zones in a more proactive way. The Safer Skies Initiative commits Canada to working with international partners to address gaps in how the civil aviation sector contends with conflict zones. During his address, Minister Alghabra announced that Canada's working paper requesting that the International Civil Aviation Organization (ICAO) prioritize a review of the ICAO Risk Assessment Manual for Civil Aircraft Operations Over or Near Conflict Zones was universally supported at the organization's 41st General Assembly. He also announced that the Manual was submitted to ICAO for official review in January 2023, and that a status update on the review of the document will be provided by the ICAO Secretariat at the Forum.

#### **10. Opening remarks for Canada's Minister of Transport, the Honourable Omar Alghabra, Third Safer Skies Forum**

The Minister of Transport thanked the government of the Netherlands for helping bring all of us together for this important work. The Safer Skies Initiative continues to be a priority for the Government of Canada – and for me, personally. Aviation is critical for keeping people and places connected across the planet. Unfortunately, conflict zones around the world continue to be a real danger for civil aviation operations. In January 2020, the downing of Ukraine International Airlines Flight 752 took the lives of 176 innocent individuals. Five years earlier, Dutch families and friends were devastated by the grievous downing of Malaysia Airlines Flight 17, resulting in 298 lives lost. Compelled by that tragedy, the Dutch government dedicated itself to enhancing the safety and security of civil aviation over or near conflict zones. In March 2022, at the second Safer Skies Forum, we came together to lay the groundwork for improved collaboration and information sharing. We will discuss best practices for refocusing conflict zone management systems, to make them preventative instead of reactive. The Safer Skies Consultative Committee, co-chaired by Canada and the Netherlands, has continued to make progress with meaningful work on conflict zone risk

management. At ICAO's 41st General Assembly, I and my colleagues in the European Union submitted a working paper requesting that ICAO prioritize a review of the Manual. Our working paper was universally supported by the ICAO General Assembly. Unfortunately, because of the state of our world today, we need to keep working to prevent future conflict zone-related aviation tragedies. Indeed, the need and urgency for preventative measures and cooperation on safe air travel has only increased. Russia's continuing illegal and unjustifiable war in Ukraine has degraded regional air safety, given rise to new risks, and has redrawn the global air travel map. Over the last year, partners across the global civil aviation community have worked together very closely, to share information about this and other emerging or evolving conflicts. I call on all parties present today to continue this collaborative spirit. We can only keep our skies safe and prevent future tragedies if we work together. There is still a lot of work to do.

#### **11. Important information for passengers affected by recent Air Canada flight delays and cancellations**

As stated in the *Air Passenger Protection Regulations*, passengers who feel that they have not received compensation or other entitlements that they should have received from Air Canada for recent cancelled flights should make a claim directly with the airline. If the airline does not respond to their claim within 30 days, or if it provides an unsatisfactory response, travelers should file a complaint with the Canadian Transportation Agency (CTA). Each complaint filed with the CTA will be decided on the specific facts of the case. However, in light of the principles established by the CTA's decisions in Lareau v Westjet and Anslow v Sunwing, there is a high threshold for airlines to demonstrate that flight disruptions due to the airlines own actions or failure are outside their control or required for safety, and thus avoid paying compensation for inconvenience.

#### **12. March 2023 US Airline Enplanements Reach Within One Percent of All-Time Monthly High in 2019**

U.S. airlines carried 79.5 million systemwide (domestic and international) scheduled service passengers in March 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, March 2023 enplanements are down 4.0% from February 2023 and down 6.5% from the all-time high reached in January 2020. BTS reported 69.4 million domestic passengers and 10.0 million international passengers on U.S. airlines flights in March 2023, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS.

#### **13. WestJet Group and ALPA agreement ratified**

On June 9, 2023, the second collective bargaining agreement between WestJet and the Air Line Pilots Association (ALPA), the certified union representing WestJet and Swoop pilots, was ratified. "The WestJet Group is pleased to have reached an industry-leading agreement in negotiation with ALPA that recognizes the value and instrumental contributions of our current and future pilots," said Alexis von Hoensbroech, WestJet Group, Chief Executive Officer. "This agreement bolsters our ability to provide certainty and career opportunities across our organization for years to come while ensuring the competitive sustainability of the WestJet Group." The agreement is in effect from January 1, 2023, and will be in place until December 31, 2026. As negotiated in the collective agreement, the WestJet Group will now begin integration efforts of its ultra-low-cost airline, Swoop. Through an expedited process, the airline anticipates a full integration into its mainline operations by the end of October 2023. To avoid traveller impact, Swoop will operate its existing network through to the end of its published schedule on October 28, 2023. Swoop employees will move to WestJet.

#### **14. U.S. Cargo and Passenger Airlines Added 2,867 Jobs in April 2023; Employment Remains 8.4% Above Pre-Pandemic April 2019**

U.S. airline industry (passenger and cargo airlines combined) employment increased to 796,846 workers in April 2023, 2,867 (0.36%) more workers than in March 2023 (793,979) and 61,859 (8.42%) more than in pre-pandemic April 2019 (734,987). U.S. scheduled-service passenger airlines employed 517,511 workers in April 2023 or 65% of the industry-wide total. Passenger airlines added 4,584 employees in April 2023 for a twenty-fourth consecutive month of job growth dating back to May 2021. American Airlines led scheduled passenger carriers, adding 1,102 employees; United added 1,071, and Delta added 992. U.S. cargo airlines employed 274,403 workers in April 2023, 35% of the industry total. Cargo carriers lost 1,669 employees in April 2023. FedEx, the leading air cargo employer, decreased employment by 1,595 jobs.

#### **15. US Airlines lose \$1.2 billion in first quarter 2023, an improvement over first quarter 2022**

U.S. scheduled passenger airlines reported a first-quarter 2023 after-tax net loss of \$1.2 billion and a pre-tax operating gain of \$32 million. One year earlier, in the first quarter of 2022, the airlines reported an after-tax net loss of \$5.1 billion and a pre-tax operating loss of \$5.2 billion.

#### **16. JetBlue, American offer to rework alliance after legal setback**

JetBlue Airways Corp. and American Airlines Group Inc. are seeking to keep components of their US Northeast operating alliance in tact while winding down other elements, part of a high-stakes antitrust battle playing out in court. The airlines want to keep codeshare and loyalty agreements in place, but are willing to stop joint scheduling and sales, they said in a court filing on June 9, 2023. They also asked the court to reject a request from the Department of Justice to require the companies to dissolve the Northeast Alliance, or NEA, completely and impose a monitor to oversee the



wind down. The move may be the carriers' best shot at salvaging the NEA in some form after the judge ruled last month it violated US antitrust laws. It replaced competition between JetBlue and American with broad cooperation, US District Judge Leo Sorokin said. The Justice Department and the airlines submitted duelling court filings on June 9, 2023 to influence Sorokin as he crafts a final injunction against the alliance. JetBlue and American could also appeal the ruling entirely. JetBlue is still deciding whether to do so, it said in an email, adding the NEA "has boosted airline competition in the Northeast and delivered the low-fare benefits we promised." American has already said it will appeal.

#### **17. Sabre and Air Canada form strategic distribution and retailing partnership**

Sabre Corporation a leading software and technology provider powering the global travel industry, announced on June 13, 2023 the completion of a new multi-year distribution agreement that provides Sabre-connected agencies with long-term access to Air Canada's full content via NDC channels. Under the agreement, Sabre will be able to provide agencies with significantly improved content and offers from Air Canada, including the airline's dynamically priced fares and new ancillary services. Canada's flagship carrier, Air Canada is actively working with Sabre on the launch of the airline's NDC offers in the Sabre travel marketplace. The two companies expect to activate Air Canada's NDC content in Sabre within the coming months. Once Air Canada's NDC connection to Sabre is live, the Distribution Cost Recovery previously announced by Air Canada will be waived for Sabre-connected travel agencies using this path. "We're proud to be taking this next step with Sabre in providing the broadest range of rich Air Canada content, travel options and services to our customers and agency partners," said Mark Nasr, Executive Vice President, Marketing and Digital for Air Canada. "Air Canada recognizes and appreciates Sabre's progressive approach and the significant technology investments they're making, which taken together, will deliver meaningful value to all travel industry stakeholders. This new partnership is the result of long-standing discussions, and it marks a significant next step towards delivering on Air Canada's distribution promise: a smooth transition for agencies and travel buyers - both larger and smaller."

#### **18. WestJet Cargo launches Bike'Air, the safest and smoothest motorcycle air transportation option**

Bike'Air offers specialized transportation options and tailored logistics solutions for motorcycles. The service which started operating two months ago is available both on domestic and international flights connecting Canada to the USA and Europe. Destinations include Miami, Los Angeles, Barcelona, Dublin, Edinburgh, Paris, Rome London Gatwick and Heathrow. They can be reached from four stations in Canada - Calgary, Halifax, Toronto and Vancouver. On this occasion, WestJet Cargo has chosen to support the trip of Bike'Air's ambassador, Canadian photographer David Goldman. The author of multi-media portrait series entitled 'The Motorcycle Portraits', where he photographs individuals, whose lives are deeply connected to motorcycles, including builders, racers, collectors, and world travellers. He uses his motorcycle as a mobile photo studio. By flying David Goldman and his 2019 KTM 790 Adventure from Halifax to Dublin on June 2nd, WestJet Cargo gave him a great opportunity to enjoy the comfort of Bike'Air's premium service and to embark on the next stage of his project: an impressive journey throughout Europe. Kirsten de Bruijn, WestJet Cargo's Executive Vice President is thrilled about the tour: "We are proud to contribute to David's exciting journey in Europe. It is aligned with WestJet Cargo's values of creativity and adventure. WestJet Cargo recognizes the potential of motorcycle tourism and is determined to support its growth and culture, by making it even more accessible and appealing to riders."

#### **19. Air Canada to Launch New Vancouver to Singapore Service**

Air Canada on June 14, 2023 announced the strategic expansion of its international network with the addition of non-stop flights between its trans-Pacific hub at Vancouver International Airport (YVR) and Singapore's Changi International Airport (SIN). The new route will operate four times weekly beginning April 3, 2024, onboard Air Canada's flagship Dreamliner fleet. Seats are available for purchase now at [aircanada.com](https://aircanada.com), via the Air Canada App, Air Canada's Contact Centres, and travel agents. Mark Galardo, Executive Vice President, Revenue and Network Planning at Air Canada said "Air Canada continues to adapt its international network strategy in response to evolving global trends and is broadening its presence in the Indo-Pacific region to capitalize on growing business links and Canada's changing demographics. We are committed to growing YVR as a premier trans-Pacific hub, and Singapore is a top global financial centre, a multicultural destination that offers an abundance of tourism and food experiences, as well as an important gateway to beyond destinations in Southeast Asia, Southern India and Western Australia. Our newest flight will be equally appreciated by international business travellers, as well as those seeking an exciting holiday destination, or simply visiting friends and family. Customers can now begin planning their next trip to Singapore. We look forward to welcoming you onboard next spring."

#### **20. Air Canada Adds Magic to Summer Family Travel with New Walt Disney World Resort-Themed Safety Video**

Air Canada on June 15, 2023 shared a [teaser](#) of its new, limited-run in-flight safety video, produced in collaboration with Walt Disney Parks and Resorts, Canada. The full video will appear onboard across approximately 90 per cent of

the Air Canada fleet this July through to September, giving customers a glimpse of Disney magic as part of their summer travel experience. A global first for both Air Canada and Disney Parks and Resorts, the new in-flight safety video includes special nods to The Most Magical Place on Earth alongside traditional on-board safety demonstrations. The collaboration is part of the airline's continued focus on the family travel experience and creates unique and exciting storytelling opportunities to demonstrate all aircraft safety instructions in compelling, associative ways. "Family is at the centre of why so many of us travel. Over the last few years, we've been focused on improving the Air Canada family travel experience with family-friendly policies, family check-in counters, and shared family benefits in our Aeroplan loyalty program," said Andy Shibata, Vice President – Brand, Air Canada. "As we reflected on opportunities to bring more care and comfort to the family travel experience, we were inspired to add a little magic to everyone's trip with the help of Disney. Our new in-flight safety video encourages travellers of all ages to learn about the safety features of our aircraft in a new and engaging way."

#### **21. Airline Associations Join Together to Call for Global Alignment of Slot Regulations**

Airline associations around the world called for governments to ensure the global alignment of airport slot regulations to safeguard the consistent, fair, and transparent allocation of slots under the Worldwide Airport Slot Guidelines (WASG). In a [joint statement](#), the African Airlines Association (AFRAA), Airlines for America (A4A), Airlines International Representation in Europe (AIRE), Arab Air Carriers Organization (AACO), Association of Asia-Pacific Airlines (AAPA), European Express Association, European Regions Airline Association (ERAA), International Air Transport Association (IATA) and Latin American and Caribbean Air Transport Association (ALTA) set out the benefits of the WASG, which has ensured decades of stability and consistency in the application of slot management. Under the WASG, consumers have benefitted from a consistent growth in reliable schedules and expansion to new markets, while airlines and airports have seen an increase in the utilisation of scarce airport capacity.

#### **22. Annual civil aviation statistics: First look, 2022**

Canadian air carriers transported 68.2 million passengers in 2022, more than two and half times the 26.0 million carried in 2021. This represents close to three-quarters (72.4%) of the number of passengers carried in 2019, before the COVID-19 pandemic. In 2022, the recovery in air travel gained momentum for both domestic traffic (36.1 million passengers, or 26.1% below 2019) and international traffic (32.0 million passengers, or 29.4% below pre-pandemic levels). Most of the passengers were carried in the last 10 months of the year. The gradual lifting of COVID-19 travel restrictions started in March 2022 and ended in October 2022, when all remaining restrictions, including vaccination, mandatory use of the ArriveCAN app, and testing and quarantine requirements, were removed. Total traffic reached 168.7 billion passenger-kilometres in 2022, more than three times the total traffic in 2021 and almost three-quarters (72.3%) of the 2019 output. On average, each passenger travelled 2,474 kilometres in 2022, nearly the same as the 2019 level (2,478 kilometres). At 2.7 million hours, total hours flown in 2022 were more than four-fifths (81.9%) of 2019.

#### **23. Flair CEO Stephen Jones on why it's shaping up to be a hot, hot summer for air travel**

It has been a turbulent couple of years for [air travel](#) in Canada, but the chief executive of the country's largest ultra-low-cost carrier says things are looking up this summer. Stephen Jones, CEO of [Flair Airlines Ltd.](#), says Canadians are finally starting to venture out again in droves and that his airline is seeing strong bookings in the months ahead. The Financial Post's Denise Paglinawan spoke to Jones about Flair's growth, the upcoming summer travel season and why [low cost carriers](#) are here to stay.

#### **24. WestJet to shut down Sunwing Airlines, merge it with mainline business**

WestJet finalized its takeover of Sunwing Airlines last month. WestJet is planning to wind down Sunwing Airlines, integrating the low-cost carrier into its mainline business within two years as part of a plan to streamline operations. In an internal memo obtained by The Canadian Press, Sunwing Airlines president Len Corrado said the change will open up markets for the 18-year-old company as well as its workers. CBC has not independently verified that memo. In a statement sent to CBC News, the Calgary-based carrier verified the move. "While we can confirm the eventual integration of Sunwing Airlines into WestJet, the anticipated timeline to do so has not been determined at this time," Julia Kaiser, spokesperson for WestJet, said in an email. "Our immediate focus remains on the integration of Swoop's highly successful business model across WestJet's operations."

#### **25. The WestJet Group provides update on integration of Sunwing Airlines and Swoop**

The WestJet Group on June 19, 2023 confirmed future plans to provide reliable and affordable travel to a broader spectrum of guests and communities across Canada and beyond, through combining the best of every airline across the WestJet Group, including Sunwing Airlines and Swoop into one product offering. "We are confident that the future integration of Sunwing Airlines into the WestJet Group, following that of our ultra-low-cost carrier Swoop will significantly enhance our ability to provide affordability and choice to our guests," said Alexis von Hoensbroech, WestJet Group, Chief Executive Officer. "The integration of all jets from Sunwing Airlines, Swoop and WestJet into one fleet will provide us with the scale to enhance our collective operational resilience, while offering more affordable

fares and vacation opportunities across our entire network.” While the integration of Swoop is anticipated to conclude by the end of October 2023, Sunwing Airlines will not start integrating before 2024 and remains business as usual at this time.

#### **26. WestJet inaugurates service between Saskatoon and Minneapolis**

WestJet on June 19, 2023 celebrated the commencement of its new nonstop transborder service between Saskatoon and Minneapolis, with the departure of WS1900 at 7:10 a.m. MST. Growing Saskatoon’s aviation pipeline, the new route unlocks direct connectivity from Saskatchewan to the Midwest United States and beyond. With the inclusion of Minneapolis to Saskatoon’s network, WestJet has increased transborder capacity in and out of the City of Bridges by 20 per cent during the summer. “We are thrilled to celebrate the departure of our inaugural flight between Saskatoon and Minneapolis today, bolstering our title as Saskatchewan’s leading airline and signifying our expanded commitment to the province,” said Jared Mikoch-Gerke, WestJet Director, Government Relations & Regulatory Affairs. “This new connectivity between Saskatoon and Minneapolis will further enhance transborder travel options for the communities we serve and stimulate vital business and tourism opportunities on both sides of the border.”

#### **27. Canadian Airports React to New Air Sector Legislation**

Bill C-52, the Enhancing Transparency and Accountability in the Transportation System Act, was tabled on June 20, 2023. Canada’s airports support actions to drive greater accountability for all players in the national air transportation ecosystem. They support a shared accountability framework across the ecosystem, with establishment of service-level standards among government agencies, airports and airlines. Indeed, airports have already proposed a comprehensive set of actions that all aviation system partners can take to increase transparency and improve air travel. “We believe that constructive engagement among aviation stakeholders is essential for improving passenger experience and coping with future disruptions to Canada’s aviation ecosystem. We also believe that better data-sharing is in the best interest of the travelling public,” said RJ Steenstra, President and CEO of Billy Bishop / Toronto City Airport and Chair of the Canadian Airports Council. “Public transparency between aviation partners is key to a seamless travel journey in the vital air sector, said Canadian Airports Council President Monette Pasher. “We already share accountability through our commercial contractual relationships and are continually improving communications for the passenger. This is all part of an intense summer readiness push across the ecosystem. Airports have been working to coordinate their own preparations with those of the airlines, government and third-party contractors, in order to help them improve security, boarding, baggage, customs and ground handling.”

#### **28. Air Canada Named World's Most Family Friendly Airline and Top Canadian Carrier at 2023 Skytrax World Airline Awards**

Air Canada has been recognized as the world's most family friendly airline at the 2023 Skytrax World Airline Awards presented at the Paris Air Show. The carrier was also named the Best Airline in Canada, its employees won for Best Airline Staff in Canada, and Air Canada Rouge was declared the Best Low-Cost Airline in Canada. "These awards recognize Air Canada's industry leadership in Canada and the world. But the real winners are our employees, who work very hard every day taking care of our customers and delivering them safely to their destinations. I thank our employees for their dedication, and I also thank our customers for acknowledging their work by participating in the 2023 Skytrax awards survey, which garnered more than 20 million submissions worldwide," said Michael Rousseau, President and Chief Executive Officer of Air Canada.

#### **29. Porter Airlines introduces Winnipeg to its network**

Porter Airlines is adding Winnipeg to its growing network, with flights between Toronto Pearson International Airport (YYZ) and Winnipeg Richardson International Airport (YWG). Service between the provincial capitals begins on September 7, 2023 with two daily roundtrip flights. The new Winnipeg-Toronto Pearson route will operate with state-of-the-art, 132-seat Embraer E195-E2 aircraft. The service also connects to Porter’s Eastern Canada network out of Toronto-Pearson, including Ottawa, Montreal and Halifax. Introductory roundtrip fares start at \$177.

#### **30. Star Alliance Named World's Best Airline Alliance at the Skytrax 2023 World Airline Awards**

Star Alliance has once again won the title of World's Best Airline Alliance at the prestigious Skytrax World Airline Awards this year. The Alliance's famed Los Angeles lounge has also maintained its position of World's Best Airline Alliance Lounge for the seventh year running. Star Alliance CEO Theo Panagiotoulias received the awards at a ceremony held at the Paris Air Show. Delighted at the win, Mr. Panagiotoulias said: "Star Alliance offers a robust network and promises seamless journeys. We are very happy to learn that millions of flyers have recognised the exceptional value our alliance extends. With the skies getting busier, we welcome many more flyers to experience what Star Alliance and its 26 member airlines stand for."

#### **31. Air Canada Announces Prepayment of EDC Financed Loans used to Acquire 19 Airbus A220-300 Aircraft**

Air Canada on June 21, 2023 announced it has prepaid loans of approximately \$650 million from Export Development Corporation (EDC) used by the company to help fund its acquisition of 19 Airbus A220-300 aircraft. The prepayment, which is also subject to accrued interest, was made on June 21, 2023. "One of Air Canada's major financial objectives

is to deleverage its balance sheet following the COVID-19 pandemic and prepaying these loans we received for our A220 aircraft is a significant step toward this goal. We appreciate EDC's assistance in purchasing these Canadian-built aircraft, which not only advanced our fleet modernization program to improve our fuel efficiency and competitiveness, but also helped to ensure that the investments Air Canada is making directly support jobs in Canada's aerospace industry and contribute to the country's economy," said Amos Kazzaz, Executive Vice President and Chief Financial Officer of Air Canada. The prepayment of the loans for 19 Airbus A220-300 aircraft financed through EDC was achieved via: 1. a full prepayment of Air Canada's 2021 credit facility with EDC for the acquisition of 15 Airbus A220-300 aircraft, and 2. a partial prepayment of Air Canada's 2020 credit facility with EDC for the acquisition of 18 Airbus A220-300 aircraft.

### **32. Proposed legislative changes to enhance transparency and accountability in the transportation system**

The Minister of Transport has introduced Bill C-52, the *Enhancing Transparency and Accountability in the Transportation System Act*, which would enact the *Air Transportation Accountability Act* and amend the *Canada Transportation Act* and the *Canada Marine Act*. Bill C-52 aims to improve transparency and accountability in three areas of the federal transportation network. PART I is on: Enacting the *Air Transportation Accountability Act* to enhance accountability and transparency in air transportation (i.e. service standards and public reporting; information requirements: authorize the Minister of Transport to require airports and other operators to provide information to the Minister, where needed, to inform strategic decision-making; Noise consultation; environmental obligations; and Diversity). PART II is on: Amending the *Canada Transportation Act* to strengthen accessibility performance monitoring (i.e. accessibility reporting and publishing; and complaints). PART III is on: Amending the *Canada Marine Act* to enhance transparency and accountability for Canada Port Authorities (i.e. rate-setting; complaint process; alternative dispute resolution; and cost recovery).

### **33. Porter Airlines adds St. John's to Toronto-Pearson network**

Porter Airlines' newest route with its Embraer E195-E2 aircraft is between Toronto Pearson International Airport (YYZ) and St. John's International Airport (YYT). Service begins September 7, 2023, with one daily non-stop roundtrip flight. The route will also connect Porter's east coast network to its new west coast destinations via Toronto Pearson, including Vancouver, Edmonton, Calgary and Winnipeg. Introductory roundtrip fares start at \$396.

### **34. IATA Launches World Sustainability Symposium**

The International Air Transport Association (IATA) will launch the IATA World Sustainability Symposium (WSS) in Madrid, Spain on 3-4 October, 2023. With governments now aligned with the industry's commitment to decarbonize aviation by 2050, this symposium will facilitate critical discussions, in seven key areas: 1. The overall strategy to achieve net zero emissions by 2050, including Sustainable Aviation Fuels (SAF). 2. The crucial role of government and policy support. 3. Effective implementation of sustainability measures. 4. Financing the energy transition. 5. Measuring, tracking and reporting emissions. 6. Addressing non-CO2 emissions. 7. The significance of value chains

### **35. Minister of Transport announces Canada's first proposed drone safety regulations for beyond visual line-of-sight operations**

On June 23, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced the first proposed Beyond Visual Line-of-Sight (BVLOS) drone rules in Canada, which are also among the first in the world. The proposed changes to the Canadian Aviation Regulations (CARs) include rules for lower-risk operations of drones beyond visual line-of-sight, as well as for the operation of medium-sized drones within visual line-of-sight. The proposed rules would require drones to be capable of detecting and avoiding other air traffic to ensure safety. They would also introduce a new class of pilot certification for lower-risk BVLOS operations, including a requirement to meet a new drone pilot medical standard, and eliminate the requirement to obtain a Special Flight Operations Certificate (SFOC) for certain lower-risk BVLOS and medium-sized drone operations. These proposed changes would benefit Canadians as it would permit drone operations such as package delivery to remote communities, first responder operations, and natural resources and wildlife surveys to take place – among many other potential uses.

### **36. Canadian Transportation Agency issues final decision about travelling with emotional support animals**

The Canadian Transportation Agency (Agency) issued a [final decision n°. 105-at-c-a-2023](#) related to travelling with Emotional Support Animals (ESAs). The Agency determined that carriers are only required to accommodate dogs as ESAs, and only under specific conditions. Persons with Disabilities would have to meet the following conditions for their Emotional Support Dog (ESD) to be accepted in the passenger cabin: 1. proof that they are being treated for a mental health disability and that they require an emotional support dog (ESD) to accommodate that disability; 2. submit, at least 96 hours in advance of travel, a veterinary certificate identifying the dog; 3. demonstrate the ESD must fit comfortably in an appropriate animal carrier that must fit; and, 4. demonstrate that the ESD meets all travel, entry or exit requirements

### **37. Porter Airlines expands presence in British Columbia with service between Victoria and Toronto Pearson**



Porter Airlines is adding Victoria to its network, with flights between Toronto Pearson International Airport (YYZ) and Victoria International Airport (YYJ). Victoria is the second city in British Columbia that Porter serves with the new 132-seat Embraer E195-E2 aircraft. The E195-E2 has the lowest fuel consumption per seat and per trip among its class, and is the quietest single-aisle jet flying today. The two-by-two configuration means no middle seats on any Porter flight. Service begins on September 20, 2023, with one daily roundtrip flight. Connecting flights with Ottawa, Montreal, Halifax and St. John's will also be available. Introductory roundtrip fares start at \$476.

## **WATER TRANSPORTATION**

### **1. Drewry Port Throughput Indices May 2023**

The Drewry Container Port Throughput Indices are a series of calendar adjusted volume growth/decline indices based on monthly throughput data for a sample of over 340 ports worldwide, representing over 80% of global volumes. The base point for the indices is January 2019 = 100. Drewry has developed a nowcasting model that uses vessel capacity and terminal duration data (derived from our proprietary AIS model) to make short-term predictions of port throughput. The Drewry's latest assessment for May 2023 are: 1. The Global Container Port Throughput Index rose 5.4% MoM in March 2023, as global volumes rebounded after the Chinese New Year holidays. The index reached 105.9 points, just 0.3% below its March 2022 level. Resumption of activity in China helped to power the growth in volumes, but weak demand from Western markets tempered this momentum with YoY declines in container throughput recorded in North America and Europe. 2. The Greater China Container Port Throughput Index increased 11.3% MoM in March 2023 to 108.4 points. This represented a 5.6% YoY increase over March 2022. Container throughput in Qingdao reached record levels in March 2023, with 2.4 mteu handled – an MoM increase of 31%. Shanghai and Ningbo also reported strong growth in throughput, with volumes rising 10% and 25% MoM respectively in March 2023. 3. The North American Container Port Throughput Index recorded a 23.9% YoY decline in March 2023 to 89.9 points, its lowest level since June 2020. The latent impact of the Chinese New Year holidays, coupled with weak demand and the ongoing concerns about the still unresolved dockworker contract negotiations resulted in weak throughput figures at many ports on the USWC in March 2023. Its two largest hubs, the Port of Los Angeles and Port of Long Beach, posted large YoY declines of 35% and 30% respectively in March 2023.

### **2. Boaters reminded to stay safe as busy season on the water gets underway early**

Boaters and other recreational users of Vancouver's waterways are reminded to follow important safety guidelines, as large numbers of people hit the water early this year. With an unseasonably warm May and the end of pandemic-related restrictions, the Vancouver Fraser Port Authority's harbour patrol teams have talked to 30% more boaters and paddle sport users in Burrard Inlet and the Fraser River about safe boating this year compared to the same period in 2022, including twice as many interactions in May alone. As the federal agency responsible for the shared stewardship of the waters that make up the Port of Vancouver, the port authority responds to concerns and promotes awareness amongst boaters and other recreational users in its jurisdiction around how to act in a safe manner that does not put themselves or others in harm's way. The port authority's harbour patrol team educates hundreds of recreational users on the water each year—such as boaters, kayakers and stand-up paddlers—on safety considerations and local rules, such as speed limits and why it's important to stay clear of deep-sea vessels.

### **3. Shipping losses decline in 2022**

Global ocean shipping losses have declined to the lowest level seen in the 12

## **WATER TRANSPORTATION Canada**

1. Drewry Port Throughput Indices May 2023, May 30, 2023, [www.ajot.com](http://www.ajot.com)
2. Boaters reminded to stay safe as busy season on the water gets underway early, May 31, [www.portmetrovancover.com](http://www.portmetrovancover.com)
3. Shipping losses decline in 2022, June 1, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Atlantic truckers welcome coming Port of Halifax rail link, June 1, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
5. New national port rankings place Indiana No. 1 among inland ports, No. 2 in Great Lakes ports, June 1, 2023, [www.ajot.com](http://www.ajot.com)
6. West Coast container ports hit as labor talks take ominous turn, June 2, 2023, [www.freightwaves.com](http://www.freightwaves.com); and West Coast port terminal to close Monday as disruptions persist, June 4, 2023, [www.ajot.com](http://www.ajot.com)
7. ILWU Canada threatens strike at Vancouver, Prince Rupert, June 5, 2023, [www.americanshipper.com](http://www.americanshipper.com)
8. West Coast port disruptions to extend to Tuesday amid labor rift, June 6, 2023, [www.ajot.com](http://www.ajot.com)
9. Minister of Transport announces call for proposals for the Boating Safety Contribution Program, June 6, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
10. Container ships see widespread delays at California's main ports, June 7, 2023, [www.ajot.com](http://www.ajot.com)
11. Rate of US import declines to slow into third quarter: Retailers, June 7, 2023, [www.joc.com](http://www.joc.com)
12. Port authority announces winners of Blue Circle Awards for environmental stewardship, June 8, 2023, [www.metrovancover.com](http://www.metrovancover.com)
13. Record growth trajectory to ramp up for Port Saint John focus of Port Days keynote, June 8, 2023, [www.ajot.com](http://www.ajot.com)
14. Port of Los Angeles Adopts \$2B FY23/24 Budget, June 8, 2023, [www.railwayage.com](http://www.railwayage.com)
15. Shifting the needle – Part three: FMA, June 9, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
16. Port of Seattle's cargo operations shut by work action, June 10, 2023, [www.ajot.com](http://www.ajot.com)
17. Biden administration sees no reason to intervene in West Coast dockworker dispute, June 12, 2023, [www.ajot.com](http://www.ajot.com)
18. Confusion reigns as labor dispute 'fog' blankets West Coast ports, June 13, 2023, [www.freightwaves.com](http://www.freightwaves.com)
19. Sluggish demand keeps ocean rates low, but disruptions may change the outlook, June 13, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
20. Demand for global supply chain

years insurer Allianz has been tracking the numbers. However, a combination of factors impacting fire risk, ongoing and new threats posed by the ripple effects of the Ukraine conflict, decarbonization challenges, economic uncertainty, as well as the rising cost of marine claims, means the sector still has plenty of obstacles to navigate over the next 12 months and beyond, the insurer said in its Safety & Shipping Review 2023. “Shipping losses have sunk to the lowest number we have seen in the 12-year history of our annual study reflecting the positive impact safety programs, trainings, changes in ship design and regulation have had over time,” said Captain Rahul Khanna, global head of marine risk consulting at Allianz Global Corporate & Specialty (AGCS).

#### **4. Atlantic truckers welcome coming Port of Halifax rail link**

A new rail line between two container terminals is expected to alleviate heavy truck congestion in downtown Halifax, and the head of the Atlantic Provinces Trucking Association (APTA) is “cautiously optimistic” the infrastructure will help make local trucking activities more efficient. The project, first approved in 2019, aims to connect the south-end Atlantic Hub and north-end Fairview Cove terminals by 2026. For now, trucking companies in the area are responsible for moving the cargo containers between the terminals. Fairview Cove, while located at the top of the Bedford Basin, is much more accessible to the nearby infrastructure, including highways, than the Atlantic Hub terminal, said APTA executive director Chris McKee. In contrast, truck drivers have to travel through downtown and the old historic district to get to the Atlantic Hub, often leading to delays, high traffic, and other risks.

#### **5. New national port rankings place Indiana No. 1 among inland ports, No. 2 in Great Lakes ports**

For the first time ever, Indiana ports rank first among inland ports and second among Great Lakes ports for cargo shipments. Recent changes to federal port rankings caused Indiana to move from having multiple small port districts and many shipments not counted to having two top-ranked ports on the inland rivers and Great Lakes. According to the U.S. Army Corps of Engineers’ (USACE) most recent rankings, the Southern Indiana Port District handled 24.2 million tons in 2021, which ranked first among all inland ports and ahead of second-ranked Port of Pittsburgh’s 16.4 million tons. The Northern Indiana Port District handled 30.3 million tons, which was 2.2 million tons behind the first-ranked the Port of Duluth-Superior, which includes terminals in Minnesota and Wisconsin. Indiana has the largest Great Lakes port district located in a single state. Overall, the Northern Indiana Port District ranked as the 20th largest port in the country while the Southern Indiana Port District ranked 26th. The rankings are produced by the USCACE Navigation and Civil Works Decision Support Center, and are based on total tons shipped in 2021, the most recent data available.

#### **6. West Coast container ports hit as labor talks take ominous turn**

Will West Coast port labor negotiations devolve into a major, extended disruption to U.S. supply chains, akin to the labor fallout in 2014-2015? If there was a way to place a “prop” bet on this, how have the odds changed since the last port labor contract expired on July 1, 2022? The longer the talks drag on, the higher the chance of a worst-case scenario. Talks on the new contract began in May 2022. The one-year anniversary has now come and gone. There have been glimmers of hope along the way, at times nudging the betting line toward a less dramatic climax. The International Longshore and Warehouse Union (ILWU) said on April 20, 2023 that agreements were reached “on certain key issues,” reportedly including automation. Yet some handicappers would have noticed the timing. That announcement came the very day the Biden administration’s pick to lead the Department of Labor, Julie Su, [had her Senate nomination hearing](#). The progress announcement allowed her to tell lawmakers she had obtained positive results after engaging the parties. Oddsmakers who placed little weight on the April 20 announcement look like they’re right. The betting line just shifted in favor of the large-scale disruption scenario. On June 2, 2023, the ILWU staged “concerted and disruptive work actions that effectively shut down operations at some marine terminals at the ports of Los Angeles and Long Beach,” said the Pacific Maritime Association (PMA), the group representing the terminals in the labor negotiations. At least

intelligence continues to rise, June 14, 2023, [www.freightwaves.com](#)  
21. Port of Long Beach sees progress in May, June 14, 2023, [www.ajot.com](#)  
22. Tentative agreement ends worker slowdowns and stoppages that crippled West Coast ports, June 15, 2023, [www.msn.com](#)  
23. Port Houston handles 1.5M TEUs through May, June 15, 2023, [www.ajot.com](#)  
24. Port of Oakland applauds ILWU and PMA tentative agreement, June 15, 2023, [www.ajot.com](#)  
25. Vancouver launches whale protection program for seventh year, June 19, 2023, [www.insidelogistics.ca](#)  
26. UN climate deal for shipping will fail without ambitious 2030 goal, June 19, 2023, [www.ajot.com](#)  
27. ZIM Expands Partnership with 40Seas, June 21, 2023, [www.ajot.com](#)  
28. SC Ports’ volumes increase across business segments, June 22, 2023, [www.ajot.com](#)  
29. Carbon tax for ships is supported by 22 countries at Paris summit, June 25, 2023, [www.ajot.com](#)  
30. Minister of Transport announces mandatory environmental measures for cruise ships, June 23, 2023, [www.tc.gc.ca](#)  
31. Minister of Transport marks International Day of Seafarers and announces agreements to certify foreign seafarers in Canada, June 25, 2023, [www.tc.gc.ca](#)  
32. Macquarie Sells Ceres Terminals to Owner of SSA Marine, [www.maritimeexecutive.com](#)  
33. Manufacturers, forwarders call for resolution to West Coast labour dispute, June 28, 2023, [www.insidelogistics.ca](#)  
34. ILWU Canada plans to strike British Columbia ports on Saturday, June 28, 2023, [www.joc.com](#)  
35. Record year for cruise brings high passenger numbers to Canada Place terminal at the Port of Vancouver, June 27, 2023, [www.portvancouver.com](#)  
36. Ships are putting marine environment at risk, study says, June 28, 2023, [www.insidelogistics.ca](#)

one terminal at the Port of Long Beach will be shut on June 5, 2023, seeming to extend disruptions that have hit several key US West Coast port terminals as dockworkers and their employers hold ongoing labor contract negotiations. Total Terminals International, or TTI, at the Port of Long Beach has cancelled operations June 5 morning, according to a notice sent to truckers and posted on its website. The Pacific Maritime Association, which represents ocean carriers and terminal operators, said that a West Coast dockworkers guild “effectively shut down some terminals across every major container gateway on the US West Coast” on June 2, 2023.

#### **7. ILWU Canada threatens strike at Vancouver, Prince Rupert**

Longshore labor Container shipping Trans-Pacific Ports North American ports North-American rail International Longshore and Warehouse Union (ILWU) Canada on June 5, 2023 threatened to strike at the ports of Vancouver and Prince Rupert, telling its rank-and-file to vote later this week on whether to issue a 72-hour notice for a work action. The threat against Vancouver and Prince Rupert, both major gateways for US cargoes with direct intermodal rail services to Chicago, comes as ILWU Canada’s US counterpart slows cargo flow for a fourth day. The prospect of labor disruptions on both the US and Canadian West coasts is unprecedented. Vancouver is Canada’s largest container port and Prince Rupert ranks third. ILWU Canada is seeking significant wage increases, while the potential for automation of cargo-handling equipment at a planned Vancouver marine terminal is also raising labor’s ire.

#### **8. West Coast port disruptions to extend to Tuesday amid labor rift**

Intermittent disruptions at several key US West Coast ports are set to stretch into their fifth day June 6, 2023 amid ongoing labor-contracts negotiations. Pacific Container Terminals at the Port of Long Beach has cancelled cargo operations for Tuesday’s shift, according to a notice sent to the trucking community. The notice didn’t cite a reason for the closure. At least one terminal at the Port of Los Angeles cancelled cargo operations on June 5, 2023, while two terminals at the Port of Long Beach were closed on the same day “based on operational needs” and will reopen for the evening shift, Executive Director Mario Cordero said in a statement. The port is otherwise running normally, he said. West Coast dockworkers and their employers have been holding labor contract negotiations for over a year, with the occasional slowdown or work stoppage interrupting the flow of cargo that goes through the US’s biggest import hub. The Pacific Maritime Association blamed the International Longshore and Warehouse Union for the latest spate of disruptions.

#### **9. Minister of Transport announces call for proposals for the Boating Safety Contribution Program**

On June 6, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced a Call for proposals, inviting organizations who raise public education and awareness about recreational boating safety issues, practices, and behaviours in Canada to submit their applications. Under the Boating Safety Contribution Program, funding is provided to support the following eligible activities in alignment with the program’s objective.

#### **10. Container ships see widespread delays at California’s main ports**

Almost every container ship at the biggest import gateway in the US is seeing delayed departures or is waiting for a berth, as labor-related disruptions continue on the West Coast. “Basically every container vessel is having their schedule pushed back by about a day or two,” Richard Palmer of the Marine Exchange of Southern California said in an emailed operations update. He said the main reason he’s seen is a lack of “lashers,” or longshoremen who secure containers aboard ships. Palmer said agents for 10 of the vessels attributed the delays to a shortage of labor, and that some agencies didn’t want to comment on the labor situation or didn’t specify a reason for the delay. US West Coast ports are enduring the longest labor-related disruptions since 2015 as talks between port employers and dockworkers close in on one year of negotiations on a new contract. Labor shortages that started last week caused some terminals on the West Coast to close. Since then there have been intermittent disruptions at the ports of Los Angeles and Long Beach, which are together the US’s largest hub for imports that are shipped in containers. The previous labor contract covering 29 ports from California to Washington State expired July 1, 2022. The International Longshoremen and Warehouse Union, representing 22,000 dockworkers, and the Pacific Maritime Association, which represents ocean carriers and terminal operators, have been negotiating since May 2022.

#### **11. Rate of US import declines to slow into third quarter: Retailers**

As consumer spending slows, US container imports are on track to drop by more than 20% in the first half of 2023 from the same period last year, the National Retail Federation (NRF) said on June 7, 2023. The year-on-year gap will only narrow in the third quarter as shippers start to ramp up back-to-school and seasonal product ordering, the group said in its monthly Global Port Tracker (GPT). While May 2023 numbers are not official yet and June 2023 is only in its first week, the GPT estimates that those months will see US container imports fall 23% and 15%, respectively

#### **12. Port authority announces winners of Blue Circle Awards for environmental stewardship**

The Vancouver Fraser Port Authority is pleased to announce the winners of the annual Blue Circle Awards, which celebrate environmental leadership by tenants and customers at Port of Vancouver. “It is an honour to acknowledge the efforts of so many industry partners for making important and tangible progress towards reducing the environmental impacts, emissions and energy use associated with Canadian trade,” said Duncan Wilson, vice president of environment

and external affairs at the port authority. “Congratulations to all our Blue Circle Award recipients for their ongoing efforts to build sustainability into their operations. This year, alongside 11 shipping lines and four coastal marine operators, we are thrilled to recognize seven cruise lines for their continued focus on reducing their environmental footprint during the return of cruise to the Port of Vancouver in 2022.” The port authority’s Blue Circle Awards recognize shipping companies and terminal operators that go above and beyond to reduce underwater noise and emissions, and to conserve energy through the port authority’s EcoAction and Energy Action programs.

### **13. Record growth trajectory to ramp up for Port Saint John focus of Port Days keynote**

The fastest growing container port on the Eastern Seaboard and in Canada, is about to experience exponential growth, all while working responsibly and with the community in mind, according to President and CEO of CPKC, Keith Creel who spoke to a full house at the Trade and Convention Centre at Saint John Port Days. In his inaugural speech since the merger of Class I railways Canadian Pacific (CP) and Kansas City Southern (KCS), which made CPKC the first and only transnational rail network in North America, Creel praised the Port’s growth and continued expansion rate. CP began calling into the Port in 2020 and with the recent merger of CP and KCS they have created the only 20,000-mile railway stretching from Canada through to the U.S. and Mexico. The line now stretches from Vancouver, B.C., to Saint John, N.B. and onwards to New Orleans, Houston, and Mexico City, connecting ports along the Pacific Ocean and the Gulf of Mexico. In addressing several hundred business leaders who attended the keynote lunch, Keith Creel shared CPKC’s commitment to sustainable growth and strategic collaboration. Last year, Port Saint John and its partners exceeded the milestone of 100,000 TEUs of cargo passing through the Port, going on to end the year with more than 150,000 TEUs in throughput and an annual growth rate of 72 per cent – the largest container volume the Port has ever processed in a single year. With hundreds of millions in investments from the private sector, government, and the Port itself, Port Saint John will soon have capacity to reach 800,000 TEUs.

### **14. Port of Los Angeles Adopts \$2B FY23/24 Budget**

The Los Angeles Board of Harbor Commissioners on June 7, 2023 approved a \$2 billion Fiscal Year (FY) 2023/24 annual budget for the Port of Los Angeles, calling for “increased investment in Port operational and public-access infrastructure, as well as support for a range of industry leading sustainability and decarbonization initiatives.” After experiencing sharp declines in cargo volumes in FY 2022/23 due to “inflationary pressures and an overall slowdown in global cargo,” the Port says it forecasts modest gains in the fiscal year starting July 1, 2023. As a result, the approved budget predicts a 5.1% year-over-year increase to 8.9 million TEUs (Twenty-Foot Equivalent Units) in FY 2023/24. According to the [Port of Los Angeles](#), the budget includes total operating revenues of \$652.9 million, an 8.6% increase over the FY 2022/23 forecast. Shipping services are expected to make up the bulk of operating revenues at 73.3%, followed by rentals at 15.1%.

### **15. Shifting the needle – Part three: FMA**

Do you know what Canadian industry associations are doing to improve business conditions in 2023? Here’s a primer on what some of the major industry groups are tackling this year. FMA primarily serves the shipper community, both nationally and internationally. As the national voice of the shipper, the FMA’s mandate is to represent the freight transport concerns of the buyers of freight transportation to all levels of government in Canada and to UN and other relevant international agencies. We are addressing four main challenges in 2023. These are: the lack of competition in the rail and ocean container service industries; the need for robust government action to address carrier dominance in the rail and ocean container service markets; the shortage of skilled labour in the freight transportation sector, particularly trucking; and the need for infrastructure investment in rail, ports, inland terminals, roads. Along with other shipper associations, the FMA made a submission to the Canadian Competition Bureau to bring attention to the anti-competitive behaviour of ocean carriers who serve Canadian customers. During Covid, there were serious service issues or no service at all and very high rates. The FMA continues to ask Transport Canada to repeal the Shipping Conference Exemption Act (SCEA), the act that allows ocean carriers to reduce competition. The FMA is an active member of the Global Shipper Forum, and is working to develop a strategy to reduce the movement of invasive species in and on ocean containers.

### **16. Port of Seattle’s cargo operations shut by work action**

The Port of Seattle shut its cargo operations on Saturday June 10, 2023, adding to sporadic disruptions that have plagued West Coast ports for over a week. The Pacific Maritime Association, which represents ocean carriers and terminal operators, blamed “coordinated and disruptive work actions” for the halt, saying in a statement Saturday that the International Longshore and Warehouse Union refused to dispatch any longshore workers to container terminals during the first shift of the day. The ILWU, which represents 22,000 dockworkers up and down the West Coast in contract negotiations that began in May 2022, disputed the PMA’s statement, saying that it remains committed to reaching a “fair and equitable” contract. The previous contract expired in July 2022. “Despite what you are hearing from PMA, West Coast ports are open as we continue to work under our expired collective bargaining agreement,” ILWU President Willie Adams said. Operations at Los Angeles and Long Beach returned to normal by the end of the

week after a series of labor actions from June 2 to June 7, 2023. Delays to container ships scheduled for those ports have resolved as a result.

#### **17. Biden administration sees no reason to intervene in West Coast dockworker dispute**

The Biden Administration says it sees no reason to intervene in the West Coast dockworkers' dispute despite appeals from a growing number of shippers urging the Administration mediate the dispute between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) so as to bring the yearlong disruption of port operations to an end. On June 7th, 2023, White House Press Secretary Karine Jean-Pierre explained why the Biden Administration has no plans to intervene: "So when it comes to the West (Coast) ports, I can say that the President respects the collective bargaining process as the best way for workers and employers to reach mutually beneficial solutions, which he — we have said before. And Acting (Labor) Secretary Su and others in the administration are regularly engaging with the parties, encouraging them to stay at the negotiating table and finish their work. But the path forward is for the port workers and their employers to resolve the negotiations so that workers get the wages, benefits, and quality of life that they so deserve. And so that's what we're going to continue to call for: asking both parties to come to the table so this can be — so this can be dealt with." On Friday, June 9th, U.S. Chamber of Commerce President and CEO Suzanne Clark sent a letter to President Biden urging "the administration to intervene immediately in the West Coast port negotiations by appointing an independent mediator to help the two parties reach an agreement that prevents significant economic harm to U.S. families and the economy."

#### **18. Confusion reigns as labor dispute 'fog' blankets West Coast ports**

There's the fog of war and there's the fog of West Coast port labor disruptions. More than a year after negotiations began and over 11 months since the last contract expired, employers and dockworkers still haven't come to terms over pay. Accusations are flying. Those speaking to the press have agendas, as do those remaining largely silent. Relations took a major turn for the worse starting in early June 2023, with no resolution in sight. Acting Labor Secretary Julie Su arrived in San Francisco to meet with the two sides Monday (June 12, 2023) and remained at the table on Tuesday (June 13). Media coverage is warning of a renewed supply chain crisis, but data on ship movements and cargo operations is not particularly alarming — at least, not yet. "These past couple of weeks have been challenging and at times confusing for all of us out here at the West Coast ports. There have been claims, counterclaims and daily concerns," said Port of Los Angeles Executive Director Gene Seroka during a press conference Tuesday. "Of course, we're all concerned. The deal's not done yet. Patience is wearing thin. Neither side imagined it would take this long."

#### **19. Sluggish demand keeps ocean rates low, but disruptions may change the outlook**

The persistent decline in container prices is being accompanied by renewed supply chain disruptions such as the Panama Canal drought, labour strikes on the US West Coast, and a technical recession in the Eurozone. According to Container xChange's June Forecaster, a further slide in average container prices will be seen in the coming weeks, with no signs of container demand revival. The sentiment is reflected in a survey that Container xChange recently conducted (in May 2023) with the global freight forwarding community. About 69 percent of respondents (406 sample size) are hopeful of a container demand bounce back this year in 2023. Only 18 percent are hopeful of this revival in short term (1-3 months). About half are "guesstimating", without a clear outlook of timeline for container demand bounce back.

#### **20. Demand for global supply chain intelligence continues to rise**

Persevering through disruptions such as the drought affecting container ship traffic in the Panama Canal, as well as future crises, involves building trusted networks of data to map the global supply chain, say Altana Technologies officials. Altana is a New York-based startup leveraging AI and billions of data points from customs authorities, logistics providers and enterprises around the world to create a map of global supply chain networks. "Think about Altana as a Google Maps for the global supply chain," Evan Smith, Altana's chief executive and co-founder, told FreightWaves. "In a situation like the one in Panama, where Altana is useful is actually upstream of the Panama Canal. We're very useful in understanding for any given organization what their global multitier network actually looks like and where there's vulnerabilities and chokepoints." In January 2023, the Panama Canal Authority (ACP) implemented water-saving measures to maintain capacity in the canal's reservoirs. On June 6, 2023 the authority began restricting ships' drafts in the canal. "Droughts are expected to affect water availability in Panama and globally," ACP said in a recent news release. "The canal is implementing operational and planning procedures, innovative technologies, and long-term investments to mitigate its impact and safeguard its operation."

#### **21. Port of Long Beach sees progress in May**

The Port of Long Beach in May reached its strongest month so far in 2023, raising mid-year hopes of a trend of increasing volume. Dockworkers and terminal operators moved 758,225 twenty-foot equivalent units (TEUs) last month, down 14.9% from May 2022. Imports decreased 17.2% to 361,661 TEUs and exports increased 8.1% to 127,870 TEUs. Empty containers moved through the Port declined 20% to 268,695 TEUs. Cargo throughput in May was up 15.6% from April, which was 8.6% more than March. Although trade declined 14.9% for May year-over-year, cargo moved through the Port was down 20.1% year-over-year in April and 30% in March. "At mid-year we're starting



to see signs that cargo volume is on the upswing, with our busiest month since August of last year,” said Port of Long Beach Chief Executive Officer Mario Cordero. “We look forward to more positive signs in the months ahead.” “Over the long term, the San Pedro Bay ports complex will continue to be a strategic and sustainable gateway for trans-Pacific trade,” said Long Beach Harbor Commission President Sharon L. Weissman. “We will work with our industry partners to recapture and grow market share in this increasingly competitive environment.” The Port has moved 3,135,600 TEUs during the first five months of 2023, a 24.8% decrease from the same period in 2022. Loaded imports are down 28% to 1,472,626 TEUs, while loaded exports are up 0.9% to 600,586 TEUs.

## **22. Tentative agreement ends worker slowdowns and stoppages that crippled West Coast ports**

A tentative deal between the Pacific Maritime Association and the International Longshore and Warehouse Union was announced Thursday June 15 night, ending 14 days of worker slowdowns and stoppages that crippled port productivity. The new contract is six years and will cover workers at all 29 West Coast ports. No details of the deal terms were released. “We are pleased to have reached an agreement that recognizes the heroic efforts and personal sacrifices of the ILWU workforce in keeping our ports operating,” said PMA President James McKenna and ILWU President Willie Adams in a joint statement. “We are also pleased to turn our full attention back to the operation of the West Coast Ports.” Both sides hailed the assistance from Acting U.S. Secretary of Labor Julie Su, who CNBC confirmed was in San Francisco since Monday to help guide talks.

## **23. Port Houston handles 1.5M TEUs through May**

Port Houston terminals handled 1,542,392 TEUs through May 2023, down 2% compared to the record-breaking volumes of 2022. As seen in markets around the country, import volumes in Houston continue to soften. In May 2023, the Port handled 139,745 TEUs in loaded imports, a 12% reduction from last year but still the second-highest May import volumes in Port Houston’s history following last May’s record year. Year-to-date imports at Port Houston are down by 3%, totalling 781,655 TEUs thus far. Despite the dip in import volume, Port Houston continues to see growth in loaded exports. Up 3% in May 2023 compared to last May, loaded export volumes have reached 569,502 TEUs year-to-date, a 14% increase from the same period last year. Strong exports through Port Houston are expected to continue, due in large part to the continued high demand for resin exports. In fact, Port Houston is the number one resins port in the nation. U.S. export manufacturers and retail importers have new options to access their international markets. Recently, both Union Pacific Railroad and BNSF Railway announced new intermodal container services at Port Houston. Union Pacific Railroad began on-dock rail service on June 1<sup>st</sup> to support five key markets, including Denver, Salt Lake City, Oakland, Los Angeles, and El Paso. On June 2, BNSF Railway began rail service to the Greater Dallas/Fort Worth and Denver markets.

## **24. Port of Oakland applauds ILWU and PMA tentative agreement**

The Port of Oakland applauds the tentative agreement between the International Longshore and Warehouse Union (ILWU) and Pacific Maritime Association (PMA). Negotiations between the ILWU and PMA began in May 2022 regarding their contract which expired two months later. “Today is a monumental day for U.S. West Coast seaports. Labor peace is a commitment to continue delivering the most efficient, cost effective, and environmentally-sustainable cargo operations in the country. Asia to the West Coast still remains the most efficient route,” said Port of Oakland Executive Director Danny Wan. “We thank Acting Secretary Labor Secretary Julie Su her key role in the negotiations.” The Port of Oakland is an agricultural gateway for farm goods produced in California’s Central Valley. Oakland has also become the preferred gateway for beef and pork exports produced in the U.S. Midwest. Port Executive Director, Danny Wan shared the excitement of the future of business at West Coast ports as an agreement is finalized between ILWU and PMA. The Port of Oakland has been diligently working with tenants and maritime partners globally to return diverted cargo back to the West Coast in an effort to continue growing local jobs. More than 84,000 regional jobs rely on the Port of Oakland.

## **25. Vancouver launches whale protection program for seventh year**

The Vancouver Fraser Port Authority has launched the seventh season of its Enhancing Cetacean Habitat and Observation (ECHO) Program. The large-scale threat reduction measures support the recovery of at-risk whales, such as the endangered southern resident killer whales. To reduce threats to whales such as underwater noise and ship strikes, more than 60 marine transportation organizations have confirmed their intention to participate in the ECHO Program’s measures, which ask ship operators to slow down or stay distanced within key areas of importance to southern resident killer whales. Last year, the ECHO Program’s voluntary measures reduced underwater noise—one of the key threats to southern resident killer whales—by nearly 50 percent in the slowdown areas. Additionally, a new study shows that the program’s slowdowns can also reduce the risk of ship strikes by up to nearly a third (27 percent) and can reduce air emissions within the slowdown areas.

## **26. UN climate deal for shipping will fail without ambitious 2030 goal**

The International Maritime Organization’s (IMO) agreement on shipping climate targets expected next month could be the starting gun for the radical climate action our planet desperately needs. Civil society groups are calling on the IMO

member states to urgently support halving climate pollution from ships by 2030 and reaching zero-emission by 2040, at the Intersessional Working Group on Greenhouse Gases (ISWG-GHG-15) next week. Given the disproportionate impacts of climate change felt in vulnerable and developing states already today, the IMO must also guarantee that this transition is just and equitable. While a majority of governments have previously agreed to revise the IMO's existing climate target to absolute zero-emissions by 2050, bringing the industry closer than ever before to the Paris Agreement, a mid-century ambition is not enough to decarbonise shipping within Paris' 1.5°C temperature limit. The world's leading climate scientists have repeatedly warned that steep and immediate reduction in emissions across industries is the only way to avert the global temperature rise beyond 1.5°C, and it is the only way humanity can secure a livable future. Ambitious targets for 2030 and 2040 are vital for determining future IMO climate policy measures that will be key to deliver shipping's transition to zero emissions, such as action on short-term pollutants (methane and black carbon), mandatory slow-steaming, a carbon levy of at least \$100/tonne of greenhouse gas and a fuel greenhouse gas standard.

#### **27. ZIM Expands Partnership with 40Seas**

ZIM Integrated Shipping Services Ltd announced on June 21, 2023 the expansion of its partnership with cross-border trade financing platform 40Seas, integrating the 40Seas' flexible digital financing solution via ZIM's website as well as Ship4wd's, ZIM's award-winning digital freight forwarding subsidiary. The expanded collaboration demonstrates ZIM's commitment to transforming traditional shipping practices into the digital era and enhancing customers' choices by providing them with a seamless digital experience to allow them faster and cheaper access to capital to meet their credit needs. This new service will be rolled out gradually starting in the US, Canada, UK, France, Germany, Italy, Belgium, Netherlands, and Australia, with additional countries added over time. With 40Seas' flexible digital financing solution integrated into ZIM and Ship4wd, customers will be able to defer payment for freight charges for a maximum period of 90 days from the invoice date, as well as leverage 40Seas credit line to finance cargo, subject to meeting eligibility requirements.

#### **28. SC Ports' volumes increase across business segments**

South Carolina Ports' cargo business segments had a strong May 2023, with inland ports, vehicles and cruise passengers trending up. SC Ports handled 20,026 vehicles for global automakers at Columbus Street Terminal in May 2023, up 14% year-over-year. SC Ports' two rail-served inland ports, which swiftly move cargo via rail between the Port of Charleston and inland markets, continued to see strong volumes. Inland Port Dillon had another record-breaking month, handling 4,415 rail moves in May, which is an impressive 138% jump from last year. Inland Port Greer also had a strong month handling 14,931 rail moves, up 4% year-over-year. Union Pier Terminal saw nearly 26,000 cruise passengers come through, which is an 8% increase from last year. For the container segments, SC Ports has handled nearly 2.4 million TEUs and 1.3 million pier containers thus far in fiscal year 2023.

#### **29. Carbon tax for ships is supported by 22 countries at Paris summit**

More than 20 countries backed a charge on the shipping industry's greenhouse gas emissions at a global finance summit held in Paris this week. France, Spain, Norway and Portugal are among 22 nations that support "the principle of a levy on the GHG emissions" of the international shipping sector, according to a summary of discussions and information provided by a French official. It's also backed by the European Commission. Charging shippers for their emissions isn't a new idea — it's previously been pitched by countries to the International Maritime Organization, shipping's global regulator, where it remains under discussion. Commodity trading titan Trafigura Group is also supportive and the International Chamber of Shipping, which represents more than 80% of the merchant fleet, has previously called for a levy. Although substantial, the list of supporters currently doesn't include the US or China, the world's two largest economies. Treasury Secretary Janet Yellen said her country would look at a proposal for a maritime tax.

#### **30. Minister of Transport announces mandatory environmental measures for cruise ships**

On June 23, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced mandatory environmental measures for cruise ships effective immediately. The measures address discharges of greywater (the drainage from sinks, laundry machines, bathtubs and showers, or dishwaters) and sewage (wastewater from bathroom and toilets). These mandatory measures for the cruise ship industry include: 1. Prohibiting the discharge of greywater and treated sewage within three nautical miles from shore where geographically possible across Canada; 2. Strengthening the treatment of greywater together with sewage before it is discharged between three and twelve nautical miles from shore south of 60°N using an approved treatment device in non-Arctic waters. This will complement existing regulations for Arctic waters under the *Arctic Waters Pollution Prevention Act*; and 3. Reporting compliance with these measures in Canadian waters upon request. The Government of Canada had announced these measures last year for the cruise ship industry on a voluntary basis, but going forward, cruise ships will be subject to fines for non-compliance with these measures, up to the maximum permitted (\$250,000) under the *Canada Shipping Act, 2001*.

#### **31. Minister of Transport marks International Day of Seafarers and announces agreements to certify foreign seafarers in Canada**

On June 25, 2023, on the International Day of the Seafarer, the Minister of Transport, the Honorable Omar Alghabra, announced that Canada has signed agreements with Georgia, the Philippines, and the United Kingdom to allow their certified seafarers to work onboard Canadian vessels. These countries now join Australia, France, Norway, and Ukraine as participants in Canada's Reciprocal Arrangement Program. Launched in 2019, the Reciprocal Arrangement Program allows highly qualified workers to quickly gain employment in the Canadian marine sector. This means that once a foreign seafarer meets the requirements for work, Canadian companies can sponsor them to fill critical gaps in their workforce.

### **32. Macquarie Sells Ceres Terminals to Owner of SSA Marine**

The consolidation of terminal operators continues with news that Australia's asset management firm Macquarie Asset Management has reached terms for the sale of Ceres Terminals, an operator of 18 locations in the United States and Canada. The investment arm of the Australian finance company has reportedly been shopping the terminal operator as it looks to wind down one of its infrastructure investment funds and following other sales of terminals in the U.S.

### **33. Manufacturers, forwarders call for resolution to West Coast labour dispute**

Canadian Manufacturers & Exporters (CME) and the Canadian International Freight Forwarders Association (CIFFA) are urging the International Longshore and Warehouse Union Canada (ILWU), the BC Maritime Employers Association (BCMEA), and the federal government to come to an immediate resolution and avoid any strike action at British Columbia Ports. More than 99 percent of members of the 7,200 BC longshore workers in the International Longshore and Warehouse Union (ILWU) voted in favour of a strike earlier this month. They can now walk out with 72 hours' notice. The union's old contract with the BC Maritime Employers Association (BCMEA), which represents 49 ports, expired at the end of March, 2023. The ports include Vancouver, Prince Rupert and numerous smaller entities.

### **34. ILWU Canada plans to strike British Columbia ports on Saturday**

Dockworkers on Canada's West Coast plan to strike Saturday, saying they were "left with no choice" after failing to make progress during recent negotiations with maritime employers. The planned strike, which has no defined end date, would include Vancouver, Canada's largest port and a gateway for goods landing in the US Midwest. So far, there have been no operational slowdowns reported at British Columbia ports, and cargo is moving promptly, the head of one of Canada's largest ocean forwarders said, who added that a strike would heap further economic pain on. Canada's longshore employers say they would agree to undergo binding arbitration with ILWU Canada in order to secure a deal.

### **35. Record year for cruise brings high passenger numbers to Canada Place terminal at the Port of Vancouver**

High volumes of cruise passengers are expected at and around Canada Place in downtown Vancouver on weekends throughout 2023 July, August and September, as the Port of Vancouver is on track for a record number of cruise ship visits in 2023. As many as 1.3 million passengers could pass through the Canada Place cruise terminal at the port this season, with a record 331 cruise ship visits scheduled from April and October. This would be the highest number of passengers to ever pass through the cruise terminal in Vancouver in a single year—approximately 10% more than the previous record of 1.1 million passengers set in 2019. "All indications are that we are on track for a bumper cruise season in 2023, as tourists and cruise passengers return to the region and the award-winning Canada Place cruise terminal at the Port of Vancouver," said Mandy Chan, cruise services manager at the Vancouver Fraser Port Authority, the federal agency mandated to enable Canada's trade through the Port of Vancouver. "This means that tourists and locals planning to visit Canada Place or nearby areas over the summer and early fall should plan ahead and prepare for crowds and increased traffic."

### **36. Ships are putting marine environment at risk, study says**

The combined emissions of metals and other environmentally hazardous substances from ships is putting the marine environment at risk, according to a new study from Chalmers University of Technology, Sweden. When the researchers calculated the contaminant load from these emissions into the marine environment in four ports, it was found that water discharged from ships' scrubbers, whose purpose is to clean their exhaust gases, accounts for more than 90 percent of the contaminants.

## RAIL TRANSPORTATION

### 1. Railway carloadings, March 2023

In March 2023, the volume of cargo carried by Canadian railways amounted to 33.2 million tonnes, up 5.4% from March 2022 levels, marking the 11th consecutive month of year-over-year increases. For March 2023, cargo tonnage was well above the five-year average for the month and second only to the record-high of 33.3 million tonnes set in the same month in 2021, primarily due to a large increase in grain shipments, notably wheat.

### 2. Freight Rail Services Price Index, May 2023

Data for May 2023 for the Freight Rail Services Price Index (2018=100) are now available from Statistics Canada. For May 2023, the index was 123.8, a 1.1 point decrease from the previous month and 1.1 point increase from May 2022.

### 3. CPKC's MMX Growing by 1,000 'Reefers'

Canadian Pacific Kansas City (CPKC) is adding 1,000 new, 53-foot, refrigerated intermodal containers—"reefers," in railroad terms, though the name usually refers to refrigerated boxcars—to its transnational, single-line service network, more than doubling CPKC's existing fleet and "bringing more shipping options to customers using the expanding Mexico Midwest Express (MMX) Series premium intermodal service." CPKC describes MMX as "North America's first single-line rail service offering for refrigerated shippers from the Midwest to Mexico, a market currently served by trucks. Single-line haul efficiencies, combined with seamless crossborder service, make CPKC intermodal transit times competitive with over-the-road-trucks. Converting trucks to rail reduces emissions and makes highways safer, another realization of the benefits of the CPKC combination." The MMX temperature-controlled service will move fresh and frozen produce, baked goods, candy and other food products northbound and beef, chicken and pork to southern markets. The new refrigerated containers are part of CPKC's TempPro™ solutions, "ensuring products that require temperature protection are transported safely in a fast, reliable, and fuel-efficient service that brings optionality and more competition to North American supply chains."

### 4. VIA RAIL records impressive increase in ridership in q-1 2023 amidst a revival of travel

VIA Rail Canada (VIA Rail) on May 31, 2023 announced an impressive 106.5% increase in ridership (451,200 passengers), and \$50.9 million increase in revenues (147.1%) for the first quarter of 2023, reflecting a strong resurgence of interest in train travel. "VIA Rail's activities bounced back during the first quarter of 2023 surpassing the record levels that we set in 2019," said Marie-Claude Cardin, VIA Rail's Chief Financial Officer. "Our Q1 performance reflects the resilience of the Corporation, the dedication of our employees and the appetite of Canadians for train travel. At the same time, we are continuing to work at mitigating the effects of an inflationary environment on our business while pursuing our commitment to sustainability and passenger satisfaction." The 2023 first quarter highlights were: 1. Total revenues increased by 50.9 million (147.1%) compared to the same period last year; 2. Ridership increased by 451, 200 passengers (106.5%) compared to the same period in 2022; and 3. Capacity in terms of train miles operated is up by 56.8% versus the same quarter last year.

### 5. CN On Track to Lower Carbon Intensity

Canada's largest railway, CN, has nearly 20,000 route-miles of track, moving more than C\$250 billion of goods every year. As a leader in striving to reduce carbon intensity, the company has set bold carbon emissions reductions goals, which include a 43%t reduction in carbon intensity as compared to a 2019 baseline, and reaching net zero by 2050. A

## RAIL TRANSPORTATION

### Canada

1. Railway carloadings, March 2023, May 30, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Freight Rail Services Price Index, May 2023, May 30, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. CPKC's MMX Growing by 1,000 'Reefers', May 30, 2023, [www.railwayage.com](http://www.railwayage.com)
4. VIA RAIL records impressive increase in ridership in q-1 2023 amidst a revival of travel, May 31, 2023, [www.viarail.ca](http://www.viarail.ca)
5. CN On Track to Lower Carbon Intensity, June 1, 2023, [www.railwayage.com](http://www.railwayage.com)
6. AAR: North American Rail Volume Down Through 21 Weeks, May 31, 2023, [www.railwayage.com](http://www.railwayage.com)
7. CN Among Global Leaders in Sustainability, June 2, 2023, [www.cn.ca](http://www.cn.ca)
8. Biden-Harris Administration Announces Funding for 63 Projects in 32 States That Will Help Reduce Train-Vehicle Collisions and Blocked Rail Crossings in the U.S., June 5, 2023, [www.dot.gov](http://www.dot.gov)
9. Intermodal: 'On the Decline in 2023', June 7, 2023, [www.railwayage.com](http://www.railwayage.com)
10. Quebec rail service resumes after wildfires, June 14, 2023, [www.insidelogistics.com](http://www.insidelogistics.com)
11. The Government of Canada confirms the expropriation to acquire the land needed for the Lac-Mégantic rail bypass project, June 14, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
12. AAR: North American Rail Volume Down Through 23 Weeks, June 14, 2023, [www.railwayage.com](http://www.railwayage.com)
13. CP Rail found guilty in contempt of court case, June 16, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
14. CPKC Launches Carbon Emissions Calculator, June 20, 2023, [www.railwayage.com](http://www.railwayage.com)
15. Railway carloadings, April 2023, June 20, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
16. Roundup of USDOT Efforts to Keep Communities Safe and Hold the Rail Industry Accountable, June 21, 2023, [www.dot.gov](http://www.dot.gov)
17. AAR: Carloads Up, Intermodal Down for Week Ending June 17, June 21, 2023, [www.railwayage.com](http://www.railwayage.com)
18. CPKC to partner with U.S. railway CSX on hydrogen locomotives, June 22, 2023, [www.financialpost.ca](http://www.financialpost.ca)
19. Richardson to Expand Eight Elevators on CPKC Network, June 26, 2023, [www.railwayage.com](http://www.railwayage.com)
20. CN Among Corporate Knights' 2023 Best 50 Corporate Citizens in Canada June 28, 2023, [www.cn.ca](http://www.cn.ca)
21. Railroads reach agreement to create new direct connection and corridor linking Mexico, Texas and the U.S. Southeast, June 28, 2023, [www.ajot.com](http://www.ajot.com)
22. AAR: North American Rail Volume Down Through 25 Weeks, June 28, 2023, [www.railwayage.com](http://www.railwayage.com)

key part of making these goals a reality is a transition to renewable fuels. For that, CN has turned to [Chevron Renewable Energy Group](#).

#### **6. AAR: North American Rail Volume Down Through 21 Weeks**

For the first 21 weeks of 2023 (ending May 27), total U.S. weekly rail traffic dipped 4.1% from the same point last year, according to the Association of American Railroads' (AAR) May 31, 2023 report. Both Canada and the U.S. saw declines, while Mexico saw an increase. North American rail volume for the first 21 weeks of the year (ending May 27) on 12 reporting U.S., Canadian and Mexican railroads came in at 13,563,680 carloads and intermodal units. Cumulative volume in Canada was 3,360,607 carloads, containers and trailers, down 0.6%; in Mexico, 578,147 carloads and intermodal containers and trailers, up 1.7%; and in the U.S., 9,624,926 carloads and intermodal units, down 5.5%. Canadian railroads reported 86,249 carloads for the week, down 4.1%, and 75,251 intermodal units, down 3.6% compared with the same week in 2022. For the first 21 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 3,360,607 carloads, containers and trailers, down 0.6%.

#### **7. CN Among Global Leaders in Sustainability**

CN is proud to be part of the United Nations Vision 2045 documentary film series. CN's video highlights how the Company is moving towards a more sustainable future. CN is building on its decarbonization initiatives, its deployment of operating technologies to drive safety and efficiency, its focus on making CN a great place to work, and by engaging with all stakeholders with trust and transparency. CN's sustainability leadership is recognized through its inclusion in the Dow Jones Sustainability World and North American Indices. CN has also been recognized for its climate leadership, securing a place on CDP's prestigious Climate Change "A" List. Tracy Robinson, President and Chief Executive Officer, CN said "For more than 100 years, CN has been powering and growing the North American economy and we intend to be here, *Delivering Responsibly*, for centuries to come."

#### **8. Biden-Harris Administration Announces Funding for 63 Projects in 32 States That Will Help Reduce Train-Vehicle Collisions and Blocked Rail Crossings in the U.S.**

The U.S. Department of Transportation's Federal Railroad Administration (FRA) on June 5, 2023 announced it has awarded more than \$570 million in Railroad Crossing Elimination (RCE) Grant Program funding to projects in 32 states. This inaugural round of funding will address more than 400 at-grade crossings nationwide, improve safety, and make it easier to get around railroad tracks by adding grade separations, closing at-grade crossings, and improving existing at-grade crossings where train tracks and roads intersect.

#### **9. Intermodal: 'On the Decline in 2023'**

"Roughly half of U.S. intermodal shipments are related to international trade, so what happens at ports is extremely important to railroads," said John T. Gray, Senior Vice President of the Association of American Railroads (AAR), which on June 7, 2023 released a report on U.S. rail traffic for May 2023 and for the week ending June 3, 2023. "U.S. port volumes, especially on the West Coast, have already been trending down for months and are a major reason why rail intermodal volumes have been on the decline in 2023." Both May 2023 and the week ending June 3, 2023 saw U.S. carloads rise and intermodal volume drop compared with the prior-year periods, according to [AAR. January 2023](#) and [April 2023](#) results were similar, while [February 2023](#) and [March 2023](#) saw both carloads and intermodal volumes decline. U.S. railroads originated 1,129,255 carloads in May 2023, up 0.8%, or 8,840 carloads, from the same month last year. They also originated 1,190,553 containers and trailers, down 11.1%, or 148,780 units, from 2022. Combined U.S. carload and intermodal originations in May 2023 were 2,319,808, down 5.7%, or 139,940 carloads and intermodal units, from May 2022. Last month, nine of the 20 carload commodity categories tracked by AAR each month saw carload gains compared with May 2022. Total U.S. weekly rail traffic came in at 439,601 carloads and intermodal units for the week ending June 3, 2023. This was down 5.7% compared with the same week last year, according to AAR. Class I railroads hauled 219,289 carloads, up 0.4% from the same week in 2022, and 220,312 containers and trailers, down 11.1% from 2022. Canadian railroads reported 85,340 carloads for the week ending June 3, 2023, a 2.4% drop-off, and 72,713 intermodal units, a 2.3% decline compared with the same point last year. For the first 22 weeks of 2023, they reported cumulative rail traffic volume of 3,518,660 carloads, containers and trailers, down 0.7%.

#### **10. Quebec rail service resumes after wildfires**

Champion Iron Limited has been able to resume railway services from its Bloom Lake mine to the port of Sept-Îles, Quebec. Forest fires emerged on May 28, 2023, approximately 300 kilometres south of Bloom Lake. This resulted in interruptions of the railway beginning on May 30, 2023. Although there was no damage to Champion's facilities, the railway or third-party infrastructure, the company halted rail operations on June 6, 2023. As the forest fires recently subsided in the region, and no significant damage was identified to the railway following inspections by its operator, the line was gradually reopened. On June 10, 2023 the company successfully completed its first rail shipment from Bloom Lake to the port of Sept-Îles since the interruptions began. Despite supply chain challenges impacting operations, Bloom Lake operated continuously throughout the railway interruptions and stockpiled iron ore concentrate at the mining complex.



### **11. The Government of Canada confirms the expropriation to acquire the land needed for the Lac-Mégantic rail bypass project**

On June 14, 2023, the Minister of Transport, the Honourable Omar Alghabra, and the Minister of Public Services and Procurement, the Honourable Helena Jaczek, have announced a turning point in moving forward the Lac-Mégantic rail bypass construction project. The expropriation, which was requested by Minister Alghabra in order to acquire the parcels of land needed for the project, was approved by Minister Jaczek. Public Services and Procurement Canada (PSPC) has informed the affected property owners of the expropriation and the fact that the Government of Canada will take physical possession of the parcels of land required for the project on August 1, 2023. This possession date will make it possible to carry out the work as soon as possible, once regulatory approvals for the project have been obtained. The property owners will receive offers of compensation for their expropriated property by August 1, 2023.

### **12. AAR: North American Rail Volume Down Through 23 Weeks**

For the first 23 weeks of 2023 (ending June 10), total U.S. weekly rail traffic dipped 4.2% from the same point last year, according to the Association of American Railroads' (AAR) June 14, 2023 report. Both Canada and the U.S. saw declines, while Mexico saw an increase. North American rail volume for the first 23 weeks of the year (ending June 10) on 12 reporting U.S., Canadian and Mexican railroads came in at 14,835,217 carloads and intermodal units. Cumulative volume in Canada was 3,677,515 carloads, containers and trailers, down 1.0%; in Mexico, 622,969 carloads and intermodal containers and trailers, up 1.1%; and in the U.S., 10,534,733 carloads and intermodal units, down 5.6%. Canadian railroads reported 86,190 carloads for the week, down 3.9%, and 72,665 intermodal units, down 9.5% compared with the same week in 2022. For the first 23 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 3,677,515 carloads, containers and trailers, down 1.0%.

### **13. CP Rail found guilty in contempt of court case**

A federal judge has found Canadian Pacific to be in contempt of court after the company forced train crews to work excessively long hours in violation of a court order to abide by the collective agreement and Transport Canada regulations. The contempt motion was filed by the union representing rail workers, the Teamsters Canada Rail Conference (TCRC). Crew fatigue is a documented safety hazard in the rail industry. From the early 1990s until mid-2022, the Transportation Safety Board of Canada has identified fatigue as a factor in at least 32 train derailments and other accidents. Rail workers are constantly on call and may work no longer than 12 hours under Transport Canada regulations, or 10 hours under certain provisions of the collective agreement. The judge found “beyond a reasonable doubt” that the rail company “intentionally” overworked train crews in 22 incidents of the 38 presented. However, the judge also noted that “CP’s own evidence was that thousands of situations continue to occur annually” where train crews are not relieved from work in time.

### **14. CPKC Launches Carbon Emissions Calculator**

Canadian Pacific Kansas City (CPKC) on June 20, 2023 launched an updated carbon emissions calculator for its transnational North American rail network in Canada, the United States and Mexico. Expanding on the individual former Canadian Pacific and Kansas City Southern carbon emissions calculators, [the updated version of the online tool](#) incorporates customer-specific shipping details to calculate routes across CPKC’s rail network and commodity-specific GHG (greenhouse gas) emissions. The calculator also provides information on highway safety “and other public benefits of shipping with CPKC’s freight rail services.” “This innovative web-based tool is designed to give customers greater insight into the carbon footprint of CPKC’s transportation services by allowing users to estimate the potential GHG emissions reductions they may achieve using CPKC’s rail services, compared to long-haul trucking alternatives,” the railroad said.

### **15. Railway carloadings, April 2023**

In April 2023, the volume of cargo carried by Canadian railways was down slightly (-0.3%) from April 2022 to 31.5 million tonnes. This was the first decrease following 11 consecutive months of year-over-year increases. The overall volume of freight carried in April 2023 was on par with the five-year monthly average of 31.4 million tonnes. April's small year-over-year decrease in total freight carried was entirely attributable to lower volumes of intermodal loadings (mainly containers) and freight traffic from connections with American railways. In April 2023, non-intermodal freight loadings (mainly commodities) in Canada increased for the 12th consecutive month, rising 5.1% year over year to 25.2 million tonnes, led by large increases in some agricultural and food products, notably grains. These increases reflected a rebound in [Canadian grain production](#) due to good growing conditions during 2022. For example, carloadings of wheat rose year over year for the eighth month in a row, up 76.9% (+1 088 000 tonnes) compared with April 2022.

### **16. Roundup of USDOT Efforts to Keep Communities Safe and Hold the Rail Industry Accountable**

Following the Norfolk Southern derailment in East Palestine, USDOT has taken steps to improve rail safety and called on Congress to pass the Railway Safety Act — working to protect communities of all sizes across the country. Most recently, U.S. Department of Transportation’s Pipelines and Hazardous Materials Safety Administration (PHMSA)

announced a Notice of Proposed Rulemaking that would require railroads to maintain — and update in real-time — accurate, electronic, information about rail hazmat shipments that would be accessible to first responders. Railroads would also be required to proactively notify first responders as soon as the railroad is aware of an incident involving hazardous materials.

#### **17. AAR: Carloads Up, Intermodal Down for Week Ending June 17**

It's the fourth consecutive week that U.S. carloads rose while intermodal volumes fell, and total rail traffic continued to lag 2022 levels, according to Association of American Railroads' (AAR) reports. For the week ending June 17, 2023, carloads came in at 228,724—a 1.2% increase from the same week last year—and intermodal volume was 248,402 containers and trailers—a 6.5% decrease from last year, the [AAR](#) reported June 21, 2023. Total rail traffic was 477,126 carloads and intermodal units, down 3.0% compared with the prior-year period. Canadian railroads reported 86,539 carloads for the week ending June 17, 2023, down 1.4%, and 72,939 intermodal units, down 4.9% from the same week last year. For the first 24 weeks of 2023, they reported cumulative rail traffic volume of 3,836,993 carloads, containers and trailers, down 1.0%.

#### **18. CPKC to partner with U.S. railway CSX on hydrogen locomotives**

Canadian Pacific Kansas City is continuing to push ahead with efforts to develop hydrogen power as an alternative fuel source for the railway industry. The Calgary-based company, dubbed CPKC as a result of Canadian Pacific Railway Ltd.'s acquisition of Kansas City Southern earlier this year, said on June 22, 2023 it will collaborate with U.S. railway CSX Corp. to develop additional hydrogen-powered locomotives. In a news release, the two companies said they will partner on the building and deployment of hydrogen locomotive conversion kits for diesel electric locomotives. As a first step, CSX will convert one of its diesel locomotives using a hydrogen conversion kit developed by CPKC. The move builds on CPKC's previous hydrogen program, which began in 2020 when the company — then CP Rail — announced it would develop North America's first line-haul hydrogen-powered locomotive.

#### **19. Richardson to Expand Eight Elevators on CPKC Network**

Richardson International Limited (Richardson) and Canadian Pacific Kansas City (CPKC) announced June 26 that the agribusiness plans to expand eight CPKC-served elevators in Western Canada, allowing future trains to be moved from the sites under the Class 1's 8,500-foot High Efficiency Product (HEP) model, featuring Canadian-built (National Steel Car, Hamilton, Ont.) hopper cars. According to CPKC, work on the elevators in Manitoba, Saskatchewan and Alberta will begin this summer, with completion scheduled for the end of 2024.

#### **20. CN Among Corporate Knights' 2023 Best 50 Corporate Citizens in Canada**

For the fifteenth consecutive year, CN has earned a place on the Corporate Knights Best 50 Corporate Citizens list and placed first among its peers within the freight transport, all modes category. Tracy Robinson, President and Chief Executive Officer of CN said “We are proud to be listed as one of the 50 Best Corporate Citizens in Canada and honoured to have received this recognition for 15 consecutive years. As a mover of the economy, our first place ranking among our peers in freight transportation stems from a long-standing commitment to integrate sustainability into our strategy and business model, setting ambitious targets, and driving for results.”

#### **21. Railroads reach agreement to create new direct connection and corridor linking Mexico, Texas and the U.S. Southeast**

Canadian Pacific Kansas City (CPKC), CSX Corporation (CSX) and Genesee & Wyoming Inc. (G&W) on June 28, 2023 announced they have reached agreements that when completed will create a new direct CPKC-CSX interchange connection in Alabama. As part of the series of proposed transactions, CPKC and CSX would each acquire or operate portions of Meridian & Bigbee Railroad, L.L.C. (MNBR), a G&W-owned railway in Mississippi and Alabama, to establish a new freight corridor for shippers that connects Mexico, Texas and the U.S. Southeast. “This strategic acquisition will bring more shipping options to intermodal, automotive and other customers by providing a new, efficient corridor connecting expanding markets in Mexico, Texas and the U.S. Southeast,” said Keith Creel, CPKC President and Chief Executive Officer. “With this new east-west connection taking advantage of each railway's routes and service, we can extend our reach converting more freight traffic to rail and off our highways.” “CSX is excited to establish this new interchange connection with CPKC, which provides shippers with a compelling transportation option with access to markets in Texas and Mexico as well as into the heart of the thriving and dynamic U.S. Southeast,” said Joe Hinrichs, President and Chief Executive Officer of CSX. “This new service is a demonstration of our commitment to creating product offerings for shippers that help them leverage the efficiency and sustainability advantages of rail to drive growth.”

#### **22. AAR: North American Rail Volume Down Through 25 Weeks**

For the first 25 weeks of 2023 (ending June 24), total U.S. weekly rail traffic dipped 4.0% from the same point last year, according to the Association of American Railroads' (AAR) June 28 report. Both Canada and the U.S. saw declines, while Mexico saw an increase. North American rail volume for the first 25 weeks of the year (ending June 24) on 12 reporting U.S., Canadian and Mexican railroads came in at 16,158,745 carloads and intermodal units. Cumulative

volume in Canada was 3,995,578 carloads, containers and trailers, down 1.2%; in Mexico, 680,280 carloads and intermodal containers and trailers, up 2.3%; and in the U.S., 11,482,887 carloads and intermodal units, down 5.4%. Canadian railroads reported 89,146 carloads for the week, up 1.4%, and 69,439 intermodal units, down 9.5% compared with the same week in 2022. For the first 25 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 3,995,578 carloads, containers and trailers, down 1.2%.

## HIGHWAY TRANSPORTATION

### 1. Couriers and Messengers Services Price Index, April 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for April from Statistics Canada. For April 2023, the index was 130.1, a 2 point increase from the previous month and 6.5 point increase from April 2022.

### 2. Feds look to fund transport emissions reduction projects

The federal government has called for new proposals for research, development and demonstration (RD&D) projects that will help lower or eliminate emissions from the on-road transportation sector. Funded under Canada's Energy Innovation Program, projects selected through this call will address barriers to the demonstration and deployment of low- or zero-emission medium- and heavy-duty vehicles (MHDVs), such as improving the energy efficiency of vehicles through using advanced materials to reduce weight or developing more cost-effective, high-performance technologies such as hydrogen fuel cells and electrical powertrains. Further, the call will support infrastructure solutions that aim to improve the transportation system's overall efficiency and increase the adoption of zero-emission vehicles. This includes the development or demonstration of affordable charging solutions for multi-unit buildings and improving the reliability of electric vehicle chargers in extreme cold weather. Successful applicants could each receive contributions of up to 75 percent of total eligible costs for research and development projects with a maximum funding contribution up to \$1.5 million. For demonstration projects, up to 50 percent of total eligible project costs may be covered, with a maximum funding contribution of up to \$5 million.

### 3. Canada Post sees Q1 loss

Canada Post recorded a loss before tax of \$107 million in the first quarter of 2023 as its parcels revenue was relatively flat and transaction mail and direct marketing revenue declined. The Canada Post segment's loss before tax in the first quarter improved by \$22 million compared to a loss before tax of \$129 million in the same period of 2022. Revenue fell by \$32 million, or 1.7 percent, compared to the same period of 2022. Parcels revenue was relatively flat as volumes declined slightly from the same period of the prior year. Direct Marketing revenue and volumes fell as businesses continued to pull back on marketing. Transaction Mail revenue and volumes continued to erode. In the first quarter of 2023, the cost of operations fell by \$34 million, or 1.7 percent compared to the same period of 2022. This was largely due to lower employee benefits which were partly offset by higher non-capital investment costs.

### 4. Manitoba provides \$400,000 a year to promote trucking jobs, support training

The Manitoba Trucking Association (MTA) will receive about \$400,000 in annual funding from the Manitoba government over the next four years to help inform provincial residents about job opportunities in trucking, and develop workforce training for those already in the industry. It's all part of \$40.4 million to expand and enhance the province's Sector Council Program. "Manitoba's trucking industry needs to bring 4,300 drivers over the next four years into the industry to meet demand. That means we need to

## HIGHWAY TRANSPORTATION

### Canada

1. Couriers and Messengers Services Price Index, April 2023, May 30, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. Feds look to fund transport emissions reduction projects, May 31, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. Canada Post sees Q1 loss, May 31, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Manitoba provides \$400,000 a year to promote trucking jobs, support training, May 31, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
5. NHTSA Proposes Automatic Emergency Braking Requirements for New Vehicles, May 31, 2023, [www.dot.gov](http://www.dot.gov)
6. Biden-Harris Administration Announces Motor Carrier Safety Awards Funding to 56 States, Territories for Safer Roads, June 1, 2023, [www.dot.gov](http://www.dot.gov)
7. CBSA Continues Outreach-First Approach as CTA Promotes Use of Volumetrics to Ensure Fairness, June 1, 2023, [www.cantruck.ca](http://www.cantruck.ca)
8. Once the subject of fierce debate, speed limiters are a fact of life in Ontario, Quebec June 1, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
9. Passenger bus and urban transit, 2021, June 2, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
10. GLS Canada acquires Altimax Courier, June 2, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Alberta's Peavey Industries acquires Guy's Freightways, June 5, 2023, [www.todaystrucking.com](http://www.todaystrucking.com) and Penske Automotive acquires Transolutions Truck Centres, June 5, [www.todaystrucking.com](http://www.todaystrucking.com)
12. Feds report more truck drivers dying from not using seat belts, June 6, 2023, [www.freightwaves.com](http://www.freightwaves.com)
13. B.C. port project to invest in hydrogen and fuel cells, June 6, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
14. For-hire Motor Carrier Freight Services Price Index, first quarter 2023, June 7, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. Transport Canada, Provinces & Territories Introduce HoS Relief for Nova Scotia Wildfire response Efforts, June 6, 2023, [www.ontruck.ca](http://www.ontruck.ca)
16. U.S. Department of Transportation Announces Loan of Up to \$45 Million for the Rural Two-Lane Advancement and Management Plan Project in Oklahoma, June 8, 2023, [www.dot.gov](http://www.dot.gov)
17. Look for hefty rate hikes in 2024, parcel consultants say, June 8, 2023, [www.freightwaves.com](http://www.freightwaves.com)
18. Trappers Transport acquires Plett Trucking, June 8, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
19. Economic Trucking Trends: Loss of capacity,

recruit, train, and retain a new driver in Manitoba every eight hours, every day, for the next four years,” Aaron Dolyniuk, MTA executive director, said in a statement.

### **5. NHTSA Proposes Automatic Emergency Braking Requirements for New Vehicles**

The U.S. Department of Transportation’s National Highway Traffic Safety Administration on May 31, 2023 announced a Notice of Proposed Rulemaking that would require automatic emergency braking and pedestrian AEB systems on passenger cars and light trucks. The proposed rule is expected to dramatically reduce crashes associated with pedestrians and rear-end crashes. NHTSA projects that this proposed rule, if finalized, would save at least 360 lives a year and reduce injuries by at least 24,000 annually. In addition, these AEB systems would result in significant reductions in property damage caused by rear-end crashes. Many crashes would be avoided altogether, while others would be less destructive.

### **6. Biden-Harris Administration Announces Motor Carrier Safety Awards Funding to 56 States, Territories for Safer Roads**

The U.S. Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA) awarded more than \$471 million in Motor Carrier Safety Assistance Program (MCSAP) grants to help fund initiatives aimed at preventing crashes, fatalities, and injuries involving commercial motor vehicles (CMV). “Commercial vehicles are an essential part of our supply chains, our economy, and our way of life—and we must ensure that they are as safe as possible,” said U.S. Transportation Secretary Pete Buttigieg. “This funding will help save lives by making our roads safer for commercial vehicle drivers and everyone who shares the road with them.” Bipartisan Infrastructure Law provided a 61% increase in funding for states and territories to support roadway safety.

### **7. CBSA Continues Outreach-First Approach as CTA Promotes Use of Volumetrics to Ensure Fairness**

The Canadian Trucking Alliance (CTA) recently heard from members about increasing outreach conducted by the Canada Border Services Agency (CBSA) about potential non-compliance with customs regulations. The agency has reaffirmed to CTA they continue to follow an education-first approach and remain committed to outreach with carriers to promote awareness and improved compliance levels, prior to issuing significant monetary penalties to fleets.

### **8. Once the subject of fierce debate, speed limiters are a fact of life in Ontario, Quebec**

Most trucks operating in Ontario and Quebec have had to mechanically govern their speeds at 105 km/h since 2008, but proposals for similar legislation in B.C. and the U.S. bring back memories of the controversy that surrounded the policy at the time. Then, the Ontario and Quebec trucking associations lobbied for the legislation, and faced fierce pushback from many owner-operators, small fleets, and the associations that represented them. Concerns were raised about so-called “elephant races” — two trucks traveling side by side at roughly the same speed, while trying to complete a pass — and safety issues related to an inability to accelerate out of dangerous situations. But when asked recently about speed limiter enforcement, an Ontario Ministry of Transportation spokesman credited the policy for contributing to a 34% reduction in fatalities involving large trucks since the mandate took effect.

### **9. Passenger bus and urban transit, 2021**

Total revenues for the more than 1,500 passenger bus and urban transit companies in Canada were \$23.7 billion in 2021, up 12.1% from 2020 and roughly on par with 2019, before the COVID-19 pandemic. Despite the increase from 2020, lingering impacts from the pandemic lockdown measures continued to be felt. With revenues of nearly \$20.1 billion in 2021, urban transit agencies—of which there were 104—accounted for most of these revenues (85%). Despite fewer passengers due to pandemic restrictions, revenues remained at historic levels in 2021 largely due to subsidies.

### **10. GLS Canada acquires Altimax Courier**

20. BC funding project to use hydrogen for port vehicles, June 13, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
21. U.S. Department of Transportation Announces Technical Assistance Grants for Transportation Projects in Rural and Tribal Communities, June 15, 2023, [www.dot.gov](http://www.dot.gov)
22. Biden vetoes efforts to strike down tighter truck emissions controls, June 15, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
23. FedEx deploys 50 EV BrightDrop delivery trucks in Canada, June 15, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
24. Dashcam footage shows truck driver had right of way in Manitoba crash, June 18, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
25. Urban public transit, April 2023, June 19, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
26. Manitoulin Named Top LTL Carrier in Canada for Quality by Mastio & Company, June 19, 2023, [www.cantruck.ca](http://www.cantruck.ca)
27. Manitoba premier willing to call experts to investigate highway crash, June 19, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
28. FedEx to merge Express, Ground operations in Canada, June 20, 2023, [www.freightwaves.com](http://www.freightwaves.com)
29. Gordie Howe Bridge Construction Update – June 2023, June 20, 2023, [www.ontruck.ca](http://www.ontruck.ca)
30. NHTSA Estimates Traffic Fatalities Dropped in the First Three Months of 2023, June 21, 2023, [www.dot.gov](http://www.dot.gov)
31. North American Transborder Freight down 6.4% in April 2023 from April 2022, June 21, 2023, [www.bts.gov](http://www.bts.gov)
32. Trucking costs hit record in 2022: ATRI, June 22, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
33. Logistics costs at peak, report finds, June 22, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
34. Customs broker systems shutdown causes border delays, June 22, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
35. Proposed B.C. emission mandates ‘unachievable’, BCTA says, June 26, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
36. 10% of Canada Post fleet now hybrid or electric, June 26, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
37. Biden-Harris Administration Announces Nearly \$1.7 Billion to Help Put Better, Cleaner Buses on the Roads in Communities Across the Country, June 26, 2023, [www.dot.gov](http://www.dot.gov)
38. ON Provides \$1.3M to Help Train Women and ‘Underrepresented’ Potential Truck Drivers, June 27, 2023, [www.ontruck.ca](http://www.ontruck.ca)
39. Premier Truck Group installs Ontario’s first high-horsepower full-chassis dyno, June 27, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)



Parcel, freight, and logistics provider GLS Canada has acquired 100% of the shares of Moncton, N.B.-based Altimax Courier, a company offering air and ground service in Atlantic Canada. “It is with much excitement that we welcome Wes Penwarden and the entire Altimax team to our GLS family,” GLS Canada president Rick Barnes said in a news release. “Altimax has been both a client and a supplier to GLS for 17 years and we have always appreciated the exceptional commitment to quality they offered throughout the Atlantic provinces.”

#### **11. Alberta’s Peavey Industries acquires Guy’s Freightways and Penske Automotive acquires Transolutions Truck Centres**

Red-Deer, Alta.-based retailer *Peavey Industries* has acquired long-term partner and fellow Red Deer logistics and transportation company Guy’s Freightways. Guy’s Freightways, established in 1975 by Bernie Schwartz, began as a single-truck operation delivering products to six Peavey Mart stores. Today, with 16 full-time trucks and 43 trailers, Guy’s has evolved alongside Peavey Mart, now part of Peavey Industries, to service their retail network across Canada. National Farmway Stores, founded in 1967, was rebranded as Peavey Mart in 1975. Today, Peavey Industries has more than 160 retail locations with its brands Peavey Mart, ACE Canada, and MainStreet Hardware. Guy’s Freightways delivers products to many of these stores in Canada. *Penske Automotive Group* is establishing its first presence in Manitoba, acquiring Winnipeg-based Transolutions Truck Centres — a medium- and heavy-duty truck and bus dealership group. Transolutions has five locations in the greater Winnipeg market, including three full-service dealerships and two parts and service centres. It sells and services Freightliner Trucks, Western Star Trucks and Thomas Built Buses, and is Manitoba’s licensed dealer for SelecTrucks, Daimler Truck’s used vehicle brand. The deal is expected to add 73 service bays, 59 technicians, and 200 employees to the Premier Truck Group team, and \$180 million in annualized revenue. Terms of the deal were not disclosed. Premier Truck Group has 44 locations in North America — including Ontario — as well as dealerships in the U.K., Germany, Italy and Japan. It’s also one of the largest retailers of Freightliner trucks in North America. In Australia and New Zealand it distributes and sells commercial vehicles, diesel and gas engines, power systems, and related parts and services.

#### **12. Feds report more truck drivers dying from not using seat belts**

The lack of seat belt use among truck drivers is grabbing the attention of federal regulators concerned about the latest fatality data. “One thing we’re seeing in trucking and other sectors is that seat belt usage is going down,” said Polly Trottenberg, deputy secretary of the U.S. Department of Transportation, speaking at a DOT safety forum last week. “And when we look at the fatality numbers they are extraordinarily disproportionately people who are unbelted.” In 2021, 64% of truck drivers killed in crashes of large trucks were not wearing a seat belt, according to the latest data compiled by the National Highway Traffic Safety Administration. That compares with 59% in 2019 and 44% in 2020. Data on deaths of large-truck occupants (drivers or passengers) reveals that 42.6% were wearing a seat belt. Of those who were not, nearly 75% were totally ejected from the truck.

#### **13. B.C. port project to invest in hydrogen and fuel cells**

British Columbia will invest \$4 million into the B.C. Hydrogen Ports Project (BCH2 Ports), introducing infrastructure such as a high-capacity fueling station that will initially support heavy-duty hydrogen-electric vehicles. The station will be located at a Parkland Corporation cardlock on Tsawwassen First Nation land, while the hydrogen will be supplied by HTEC — a production, distribution, dispensing and fleet-services company. It marks the province’s first large-scale project to use hydrogen and fuel cells for shipping and transportation. “We’re working to reduce emissions in B.C.’s commercial transport sector, which accounts for about 60% of transport emissions and 25% of total provincial emissions,” Energy, Mines and Low Carbon Innovation Minister Josie Osborne said in a press release.

#### **14. For-hire Motor Carrier Freight Services Price Index, first quarter 2023**

The For-hire Motor Carrier Freight Services Price Index (2021=100) is now available for the first quarter of 2023. For the first quarter of 2023, the index for truck transportation was 123.3, a decline from 127.2 for the last quarter for 2022. The index for truck transportation in March 2023 was 122.3, 0.9 points lower than that in February 2023.

#### **15. Transport Canada, Provinces & Territories Introduce HoS Relief for Nova Scotia Wildfire response Efforts**

Transport Canada, the Provinces and Territories have made available an optional hours of service exemption for extra-provincial truck undertakings to assist in the emergency response to wildfires in Nova Scotia. Termed, the “Targeted Essential Freight Transport Exemption to Support the Emergency Response to Wildfires in Nova Scotia”, the measure provides options for an hours-of-service exemption designed solely to support efforts by extra-provincial truck undertakings and their drivers to transport essential supplies and equipment, in direct assistance to the emergency relief efforts in response to the wildfires in Nova Scotia. The exemption comes for temporary relief from the scheduling provisions in sections 12 to 29 of the Commercial Vehicle Drivers Hours of Service Regulations. There are several detailed conditions associated with the exemption that carriers are strongly encouraged to review.

#### **16. U.S. Department of Transportation Announces Loan of Up to \$45 Million for the Rural Two-Lane Advancement and Management Plan Project in Oklahoma**



The U.S. Department of Transportation on June 8, 2023 announced that its Build America Bureau has provided a \$45 million low-interest loan to the Oklahoma Capital Improvement Authority (OCIA), on behalf of the Oklahoma Department of Transportation (ODOT) to improve rural road safety. By providing Transportation Infrastructure Finance and Innovation Act (TIFIA) loans and other financing, the Bureau helps communities expedite infrastructure projects and reduce project costs. This project will improve safety for Oklahomans in seven counties.

#### **17. Look for hefty rate hikes in 2024, parcel consultants say**

Weak pricing for the rest of the 2023 parcel-delivery season will give way to 6%-10% increases in base rates and accessorial charges in 2024, according to parcel consultants. Branden Burt, director of parcel operations for TransImpact LLC, said that weak freight markets will keep rates low through the balance of the year. However, that will not stop carriers from taking up rates in 2024 due largely to the impact of inflation, and the dominance the carriers enjoy on business-to-business (B2B) and to a lesser extent, business-to-consumer (B2C) deliveries. Shippers, which will soon gear toward building their 2024 budgets, should expect another inflation-driven increase in tariff rates of about 5.9%-6.9%, which Burt said “mirrors the sentiments” of late 2022. FedEx Corp. and UPS Inc. imposed record-setting 6.9% general rate increases for 2023. FedEx executives, in particular, have been public in saying that most of those increases have held.

#### **18. Trappers Transport acquires Plett Trucking**

Trappers Transport has expanded its cold chain logistics business with the acquisition of refrigerated transporter Plett Trucking. Plett Trucking was founded in 1968 as Landmark Transfer, growing into a national transportation provider. The two Manitoba-based companies have worked together since the 1990s. Plett adds 40 power units and 60 refrigerated trailers to the Trappers fleet.

#### **19. Economic Trucking Trends: Loss of capacity, not increase in demand, will lead recovery**

Freight conditions are expected to remain soft through the remainder of the year, and when conditions finally do improve, it’ll be because of a loss of capacity rather than an increase in demand. That’s the assessment of Avery Vise, vice-president – trucking with industry forecaster FTR, which presented a State of Freight webinar this week. “This is going to be a capacity-driven recovery of utilization, not a freight-demand-driven recovery,” Vise said, noting truck utilization has likely bottomed and will begin a slow climb back to the 10-year average through 2024. “We do expect utilization to improve primarily because we’re going to lose drivers.” Fleet bankruptcies in the U.S. are climbing, especially among smaller carriers. But larger fleets are increasingly feeling the pain as well, he adds. In the first five months of 2022, only 10 carriers with more than 100 trucks lost their authority. That has climbed to 31 carriers in the first five months of this year. When it comes to rates, Vise said those on the spot market appear to have bottomed and are beginning to increase incrementally. Contract rates aren’t expected to bottom until later this year. Contract rates are now similar to those seen in 2018, but trucking costs are significantly higher.

#### **20. BC funding project to use hydrogen for port vehicles**

British Columbia is providing \$4 million to support the introduction of hydrogen powered vehicles in ports. The BCH2 Ports Project is the province’s first large-scale project to use hydrogen and fuel cells in the shipping and transportation sectors. It is a collaboration between public and private sectors designed to showcase made-in-B.C. technology to support the province’s decarbonization goals. The BC Hydrogen Ports Project (BCH2 Ports Project) is one of the first of its kind in Canada. “We’re working to reduce emissions in B.C.’s commercial transport sector, which accounts for about 60% of transport emissions and 25 percent of total provincial emissions,” said Josie Osborne, minister of energy, mines and low carbon innovation. “Hydrogen will be essential in helping B.C. make the transition to cleaner energy solutions as we work toward meeting legislated greenhouse gas reduction targets.” Ports are typically high-emission sources of greenhouse gases and local air pollutants. This pilot project is estimated to reduce CO2 emissions by 110 tonnes of CO2 equivalent per year – the amount of energy used annually by about 21,400 homes.

#### **21. U.S. Department of Transportation Announces Technical Assistance Grants for Transportation Projects in Rural and Tribal Communities**

The U.S. Department of Transportation’s (DOT’s) Build America Bureau (the Bureau) on June 15, 2023 released a Notice of Funding Opportunity for a new pilot program created by the Bipartisan Infrastructure Law. The Rural and Tribal Assistance Pilot Program offers technical assistance grants to rural and tribal communities. The Program makes \$10 million available over five years to advance infrastructure projects in these communities.

#### **22. Biden vetoes efforts to strike down tighter truck emissions controls**

U.S. President Joe Biden has vetoed Republican-led efforts to strike down plans to dramatically tighten the emissions standards for heavy-duty engines and vehicles. In late May 2023, Congress voted to nullify Environmental Protection Agency (EPA) emissions rules that would apply beginning in Model Year 2027, placing a particular focus on nitrogen oxides (NOx). Under the rules, NOx emissions will be 80% tighter than those that apply today, while mandated warranties on emissions controls will be 2.8 to 4.5 times longer. Manufacturers will also have to demonstrate that their designs would prevent tampering by drivers.

### **23. FedEx deploys 50 EV BrightDrop delivery trucks in Canada**

FedEx Express Canada has received its first 50 all-electric GM BrightDrop delivery trucks, which will be deployed in the Toronto, Montreal, and Surrey, B.C., markets. It's part of the company's plan to run an entire fleet of zero tailpipe emissions vehicles by 2040. The Zevo 600 vehicles are powered by GM's Ultium platform, designed for last mile deliveries and capable of up to 400 km of range. The initial deliveries are part of a larger deal for 2,500 BrightDrop vehicles. FedEx says it's installing chargers at its Canadian facilities, and already has 80 installed at the three Canadian markets from which the BrightDrops will operate.

### **24. Dashcam footage shows truck driver had right of way in Manitoba crash**

Dashcam footage seized from a truck that collided with a minibus full of seniors, killing 15, shows the bus pulled into the lane where the truck had the right-of-way, Manitoba RCMP said on June 16, 2023. "We don't know why the bus proceeded into the (truck's) lane, but that is something we're going to continue to look into," Supt. Rob Lasson told a news conference. Lasson said they have not yet spoken with the driver of the bus, who remains in hospital along with nine other survivors of the fiery collision west of Winnipeg on June 15, 2023. The bus was crossing the Trans-Canada Highway, heading south on Highway 5, when the eastbound truck struck it.

### **25. Urban public transit, April 2023**

In April 2023, 118.8 million passenger trips were made on urban transit networks in Canada. For the first time since the onset of the COVID-19 pandemic, passenger volumes recovered to over three-quarters (75.5%) of pre-pandemic levels from April 2019. Canada's urban transit networks recorded an estimated 118.8 million rides in April 2023, an increase of 29.4% (+27.0 million trips) from April 2022. This marks more than two years of consecutive monthly year-over-year increases. With employment edging up in April 2023, ridership recovered to 75.5% of pre-pandemic levels from April 2019. However, there were 38.5 million fewer passenger trips in April 2023 compared with the same month in 2019. On a monthly basis, public transit ridership edged down 2.5% from March, a decrease smaller than the typical seasonal drop of about 6% observed in the two years before the pandemic. In April 2023, transit agency operating revenues (excluding subsidies) were \$274.8 million, an increase of \$60.7 million or 28.4% from April 2022, albeit \$62.1 million lower than the pre-pandemic April 2019 level.

### **26. Manitoulin Named Top LTL Carrier in Canada for Quality by Mastio & Company**

Manitoulin Transport ranked No. 1 in the Mastio & Company's 2023 edition of the Canadian national less-than-truckload (LTL) customer value and loyalty study. The company reports the comprehensive industry-wide study ranked Manitoulin Transport as the top carrier out of 360 carriers according to key decision makers in the industry. Industry professionals consistently named Manitoulin Transport as their top carrier when surveyed about qualities pertaining to trustworthiness, ease of doing business, problem resolution, billing accuracy, shipments picked-up when promised, claims process, and proactive communication.

### **27. Manitoba premier willing to call experts to investigate highway crash**

Manitoba Premier Heather Stefanson says the province will bring in experts if necessary as part of a review to ensure safety at an intersection where 15 seniors were killed in a crash. Stefanson says the government will make the appropriate checks, but for now is letting the police investigation unfold. "We don't want to rush through this," Stefanson told a news conference in Winnipeg on June 19, 2023. "There are still investigations going on right now. We'll respect that process. But you know, an internal review is always taken. "Because of the severity (of the crash), I think it's important that we are willing to go beyond that, bring in experts where needed to ensure safety of people travelling on our roadways is the most important issue." RCMP continued to investigate June 15, 2023 crash on the Trans-Canada Highway between a tractor-trailer and a minibus taking seniors on a day trip to a casino at Carberry, 170 kilometres west of Winnipeg.

### **28. FedEx to merge Express, Ground operations in Canada**

FedEx Corp. said it will on June 20, 2023 merge its [FedEx Express](#) and Ground operations in Canada, making Canada the first FedEx country where the two operations will be fully unified. The combination will occur in phases, starting in April 2024 and finishing around the 2024 peak season, the company said. Under the structure, FedEx Express will manage the operation and handle all the local pickup and delivery. FedEx Ground, the company's ground-delivery unit, will provide the middle-mile line-haul operation. The operation will be called FedEx Express Canada. FedEx Ground operations and personnel will transition to FedEx Express. Canada is the 20th market where FedEx has merged Express, Ground and its services operations into one unit. The move to integrate operations was historic at FedEx because its business units have operated as individual units since its inception in 1973. The objective is to create enhanced efficiencies by reducing redundancies in commercial and residential operations.

### **29. Gordie Howe Bridge Construction Update – June 2023**

The Ontario Trucking Association (OTA) continues to work closely with the Windsor-Detroit Bridge Authority (WDBA) as construction on the six-lane, 2.5 km long cable-stay Gordie Howe International Bridge continues. The highly anticipated opening of the bridge scheduled to occur towards the end of 2024. The addition of the Gordie Howe

Bridge, with its modernized infrastructure and processing, will expand trade capacity and connect the border to major expressways, eliminating congestion and delays as trucks no longer have to travel through the City of Windsor to and from one of North America's busiest border crossing.

### **30. NHTSA Estimates Traffic Fatalities Dropped in the First Three Months of 2023**

The National Highway Traffic Safety Administration (NHTSA) has released its first projections for traffic fatalities in 2023, estimating that 9,330 people died in traffic crashes in the first three months of the year. This represents a decrease of about 3.3% as compared to 9,645 estimated fatalities during the same time in 2022. The first quarter of 2023 represents the fourth straight quarterly decline in fatalities after seven consecutive quarters of year-to-year increases in fatalities, beginning with the third quarter of 2020. "After spiking during the pandemic, traffic deaths have been on a slow but consistent decline for the past year," said U.S. Transportation Secretary Pete Buttigieg. "This is an encouraging sign as we work to reverse the rise in roadway deaths, but there is much more work ahead to reinforce this downward trend and make it permanent."

### **31. North American Transborder Freight down 6.4% in April 2023 from April 2022**

Transborder freight between the U.S. and North American countries Canada and Mexico for April 2023 was: 1. Total transborder freight: \$126.6 billion of transborder freight moved by all modes of transportation, down 6.4% compared to April 2022; 2. Freight between the U.S. and Canada totaled \$63.8 billion, down 7.7% from April 2022; 3. Freight between the U.S. and Mexico totaled \$62.8 billion, down 5.1% from April 2022; 4. Trucks moved \$81.2 billion of freight, up 2.0% compared to April 2022; 5. Railways moved \$17.7 billion of freight, down 8.4% compared to April 2022; 6. Vessels moved \$9.3 billion of freight, down 29.8% compared to April 2022; 7. Pipelines moved \$8.3 billion of freight, down 34.5% compared to April 2022; and 8. Air moved \$4.8 billion of freight, down 4.1% compared to April 2022. US-Canada trade (both directions) for April 2023 was: Truck – \$36.5b; Rail – \$9.7b; Pipeline -\$7.8b; Air - \$3.1b; and Vessel - \$2.9b.

### **32. Trucking costs hit record in 2022: ATRI**

Last year it cost more than an average \$90 per hour to operate a truck, breaking the 2021 record as the most expensive year in trucking, the American Transportation Research Institute (ATRI) says. Total marginal costs identified in ATRI's updated Analysis of the Operational Costs of Trucking survey spiked to US\$2.251 per mile – a 21.3% increase over 2021 with fuel costs included. Without fuel, the increase was 12%. However, driver wages, truck payments and maintenance costs also rose sharply last year, driving a strong increase in total marginal costs. Despite the rising costs, fleets managed to improve some operational factors such as driver turnover and equipment utilization, ATRI says in the report.

### **33. Logistics costs at peak, report finds**

Logistics costs in the U.S. are at their highest ever, representing 9.1 percent of GDP, according to the 2023 State of Logistics Report. In real numbers, that's a record US\$2.3 trillion, up from \$1.85 trillion last year. The report also found that e-commerce sales are not slowing down. In 2022, the U.S. e-commerce market grew by eight percent, to \$1.03 trillion, up from \$871 billion. It now accounts for 14.5 percent of the entire U.S. retail market. Third-party logistics providers are investing more capital into their technology offerings than shippers. Respondents indicated that 96 percent of 3PLs have migrated to the cloud, while only 86 percent of shippers have. Likewise, 80 percent of 3PLs are investing in IoT, versus 77 percent for shippers.

### **34. Customs broker systems shutdown causes border delays**

Carriers and truck drivers complained of delays at Canada-U.S. border crossings beginning June 21, 2023, after customs broker Livingston International "shut down select operating systems" because of a suspected cyber attack. Outages to Livingston's systems sparked [days-long delays in August and December last year](#). Beverley Hudd, of Fairway Transport based in Ancaster, Ont., said one of her drivers had been stuck at the Port Huron border crossing since 4 p.m. on June 21. An official from a Mississauga, Ont.-based carrier said they were facing delays and downtime due to Livingston's shutdown. "Multiple drivers are affected. It is affecting all border crossing locations as it is not a regional issue but a system-wide outage," the official said.

### **35. Proposed B.C. emission mandates 'unachievable', BCTA says**

The British Columbia Trucking Association (BCTA) is pushing back against provincial plans for medium- and heavy-duty zero-emission vehicles (ZEV), arguing that B.C. regulators aren't recognizing realities in the transportation sector. *CleanBC Roadmap to 2030* sets emissions targets at 27-32% below 2007 levels by 2030, and would bring several measures in line with jurisdictions like California – home of the strictest emissions standards in North America. Class 3-8 sales targets under the B.C. plan would roll out from 2026 to 2036, when all new vehicles would need to be zero-emission models, while all reefers would need to be electric by 2030, and fossil-fuel-powered forklifts would be phased out between 2028 and 2038. "The mandate outlined in this consultation paper is so unachievable, it will further harm our sector's ability to meet its emission-reduction targets and hinder our collective fight against climate change," BCTA says in its official comments on the consultation paper.

### 36. 10% of Canada Post fleet now hybrid or electric

Ten percent of Canada Post's fleet now consists of hybrid or electric equipment as the organization continues its journey to produce net-zero emissions by 2050. And its first 100 all-electric trucks are expected to be on the road by the end of 2023. The fleet details are among highlights in Canada Post's latest sustainability report, published June 23, 2023. Last year, Canada Post's board approved a billion-dollar investment into the net-zero plan, which aims to cut Scope 1 and 2 (direct and indirect) emissions in half by 2030.

### 37. Biden-Harris Administration Announces Nearly \$1.7 Billion to Help Put Better, Cleaner Buses on the Roads in Communities Across the Country

On June 26, 2023, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced 130 awards totalling nearly \$1.7 billion from President Biden's Bipartisan Infrastructure Law for transit projects in 46 states and territories. This funding invests in more than 1,700 American-built buses that will be manufactured with American parts and labor. Nearly half of these buses will be zero-emission models, bringing the total number of zero-emission transit buses funded by the Bipartisan Infrastructure Law over two years to more than 1,800 – and more than doubling the number of zero-emission transit buses on America's roadways. Many of the grant recipients have pledged to buy standardized buses and vans and avoid customization, which will result in faster delivery and lower costs.

### 38. ON Provides \$1.3M to Help Train Women and 'Underrepresented' Potential Truck Drivers

The Ontario government is investing \$1.3 million to prepare 54 women, newcomers and others from underrepresented groups for in-demand careers in the trucking industry. Across Ontario, at least 6,100 more truck drivers are needed to fill job vacancies and to ensure families and businesses receive goods on time and the province's economy reaches its full potential, the province said in a news release. Only two per cent of Ontario truck drivers are women, which is why the program will reimburse up to \$4,500 for childcare and other living expenses.

### 39. Premier Truck Group installs Ontario's first high-horsepower full-chassis dyno

What do you do when your truck dealership is in the center of a highly congested industrial area, making it nearly impossible to get up to highway speeds under load for test drives? If you're Premier Truck Group, you invest \$600,000 into what it claims is Ontario's only high-horsepower full-chassis dynamometer. The company held an open house June 21 to showcase its new tool. About 200 customers showed up for demonstrations at Premier's Mississauga location. "We can't road test around here because of the traffic and we don't have a loaded trailer," Gary Van Ryswyk told TruckNews.com. "Now we can simulate load conditions."

## GENERAL TRANSPORTATION

### Canada

#### 1. U.S. Transportation Sector Unemployment Rate of 3.6% in May 2023 Was Below the May 2022 Level of 4.5% And Was Below the Pre-Pandemic May Level of 4.3% in 2019

The unemployment rate in the U.S. transportation sector was 3.6% (not seasonally adjusted) in May 2023 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) Unemployment in Transportation dashboard. The May 2023 rate fell 0.9 percentage points from 4.5% in May 2022 and was below the pre-pandemic May level of 4.3% in May 2019. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020. Unemployment in the transportation sector was above overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in May 2023 was 3.4% or 0.2 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in May 2023 was 3.7%.

#### 2. April 2023 Freight Transportation Services Index (TSI) Down 1.2% from the Previous Month and Down 2.5% from the Same Month Last Year

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 1.2% in April 2023 from March 2023, falling for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From April 2022 to April 2023 the index fell 2.5%.

## GENERAL TRANSPORTATION

### Canada

1. U.S. Transportation Sector Unemployment Rate of 3.6% in May 2023 Was Below the May 2022 Level of 4.5% And Was Below the Pre-Pandemic May Level of 4.3% in 2019, June 2, 2023, [www.bts.gov](http://www.bts.gov)
2. April 2023 Freight Transportation Services Index (TSI) Down 1.2% from the Previous Month and Down 2.5% from the Same Month Last Year, June 7, 2023, [www.bts.gov](http://www.bts.gov)
3. Canada needs to synchronize its climate policies for effective emission control, June 6, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
4. Leading indicator of international arrivals to Canada, May 2023, June 12, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. Minister Alghabra concludes successful trip representing Canada in the G7 Transport Ministers' Meeting in Japan, June 19, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
6. Canadian companies deferring IT spending, study finds, June 21, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
7. Travel between Canada and other countries, April 2023, 23 June 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
8. Unifor launches union drive at Amazon's Vancouver sites, June 23, 2023, [www.insidelogistics.com](http://www.insidelogistics.com)
9. Biden-Harris Administration Announces Funding for 162 Community-Led Infrastructure Projects as Part of the Investing in America Agenda, June 28, 2023, [www.dot.gov](http://www.dot.gov)
10. CentrePort Canada sells out BrookPort Business Park, June 27, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)

### **3. Canada needs to synchronize its climate policies for effective emission control**

National, provincial and territorial governments across Canada have implemented a myriad of policies to reduce greenhouse gas emissions in recent years. However, these stubbornly high emissions have only just started showing signs of falling. In principle, each level of government is working toward the same goal. Yet, the approaches they use vary in effort, design and coverage — with some emissions sources covered by multiple policies while others remain unregulated. To achieve our emissions goals, we need federal, provincial and territorial policies paddling in the same direction in addition to synchronized efforts to maximize our impact. In our new study, recently published in *Climate Policy*, we examine the development and design of climate policy mixes across Alberta, British Columbia, Ontario and Québec, as well as at the federal level, and evaluate their expected impact on emissions abatement.

### **4. Leading indicator of international arrivals to Canada, May 2023**

In May 2023, the number of international arrivals to Canada—non-resident trips and returning Canadian-resident trips—continued to increase from May 2022, but, for most indicators, has not yet reached the number of arrivals recorded in May 2019, before the COVID-19 pandemic. In May 2023, in Canadian airports equipped with electronic sensors, the number of non-resident arrivals totalled 774,000 (+52.5% from May 2022), while the number of trips by Canadian residents returning from abroad reached 1.5 million (+34.0% from May 2022). Meanwhile, US-resident trips to Canada through land ports with electronic sensors totalled 1.0 million in May 2023, a year-over-year increase of 64.1%. The number of Canadian-resident return trips from the United States via the same land ports also increased (+35.7%) in May 2023, to 1.9 million trips.

### **5. Minister Alghabra concludes successful trip representing Canada in the G7 Transport Ministers' Meeting in Japan**

The Minister of Transport, the Honourable Omar Alghabra, wrapped up a successful trip representing Canada at the G7 Transport Ministers' Meeting in Ise-Shima, Japan, from June 16 to 18, 2023. At the Transport G7, members sought to increase innovation to achieve accessible and sustainable transportation. Minister Alghabra discussed actions to increase supply chain resiliency and reduce pollution, and took the opportunity to showcase Canada's vision to G7 partners and discuss priorities that align with Canada's transportation interests. Specifically, Minister Alghabra advanced initiatives to support supply chain resiliency across the G7 by increasing coordination and proposed establishing Green Shipping Corridors between Canada, Japan, and the United Kingdom. Minister Alghabra met bilaterally with his counterparts from Japan, the United Kingdom and Ukraine, during which he discussed areas of cooperation between Canada and our allies to achieve net-zero goals and reduce pollution in the air and marine sectors. Minister Alghabra also highlighted initiatives to build sustainable supply chains for future generations across the G7.

### **6. Canadian companies deferring IT spending, study finds**

Organizations planning financial commitments to technology are at a six-year low, a new study of Canadian businesses has found. Three quarters of the respondents (76 percent) plan to deploy technology investments, compared to 92 percent before the pandemic in 2019. The study reveals that, in order of importance, inflation, remote work, labour shortages, recession, environmental disasters and international tensions, have turned corporate decisions upside down. These factors influenced 69 percent of companies to rethink their technology investment decisions. While 54 percent of Canadian companies say they have achieved positive results by implementing advanced data analytics and artificial intelligence, only 13 percent of organizations plan to invest in these areas within the next two years, compared to 36 percent in 2019.

### **7. Travel between Canada and other countries, April 2023**

In April 2023, the number of non-resident visitors to Canada and returning Canadian residents accounted for 81.4% of the level observed in April 2019, before the COVID-19 pandemic. Residents of overseas countries took 373,200 trips to Canada in April 2023, and US residents took 1.3 million trips. At the same time, Canadian residents returned from 4.1 million trips abroad. In April, 373,200 overseas residents arrived in Canada, up 54.4% from 241,700 in April 2022 and reaching over three-quarters (77.4%) of the number of overseas arrivals during the same month in 2019, before the pandemic.

### **8. Unifor launches union drive at Amazon's Vancouver sites**

Unifor has announced it plans to start a drive at Amazon's Metro Vancouver locations. U.S. activist and Amazon Labor Union (ALU) president Chris Smalls joined Unifor organizers at the launch event near YVR3, the fulfillment centre near Braid Skytrain Station in New Westminster. He emphasized the need to foster community and build meaningful connections between workers. "The union shows the power of the people, bringing them together, helping them with their real concerns at work," Smalls said. "Amazon can never do that. They're in the business of exploiting workers for profit." Numerous attempts have been made to unionize Amazon's warehouse operations in Canada. In May 2022 the Confederation des syndicats nationaux (CSN) tried to organize at Amazon in Montreal. In April 2022 Teamsters Local Union 362 filed a second time for a unionization vote at the Amazon warehouse in Nisku, south of Edmonton.



**9. Biden-Harris Administration Announces Funding for 162 Community-Led Infrastructure Projects as Part of the Investing in America Agenda**

On June 28, 2023, U.S. Secretary of Transportation Pete Buttigieg will join Assistant Democratic Leader Jim Clyburn and others in South Carolina to announce that the Biden-Harris Administration has awarded more than \$2.2 billion from the RAISE discretionary grant program to 162 different infrastructure projects across the country. Today's funding includes a nearly \$23 million grant to build a pedestrian bridge and a multi-modal transit hub to better connect neighbourhoods and college campuses to downtown Orangeburg, South Carolina. The RAISE grant program, expanded under the Bipartisan Infrastructure Law, supports communities of all sizes, with half of the FY2023 funding going to rural areas and the other half to urban areas.

**10. CentrePort Canada sells out BrookPort Business Park**

CentrePort Canada has sold out the fourth and final phase of BrookPort Business Park. The facility is a 280-acre fully serviced industrial park in the Winnipeg, Man., trimodal transportation hub. Since 2018, Whiteland Developers has invested over \$100 million to develop the park in the Rural Municipality of Rosser. More than 50 companies have invested over \$150 million to locate within the park, which is ideally suited for companies in the warehousing, distribution, cold storage, transportation and truck parts industries. Established operations include Ayr Motors, CadX Group, Cantrans Containers, Haulster Transport, JM Truck & Trailer Repair, Longview Logistics, Nutrien, Pluto Transport, Rig Logistics, Sailors Group, Whiteriver Logistics and Winnipeg Flatbeds.