

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Airport activity, 2022

Two years after the COVID-19 pandemic brought worldwide air travel to its knees, the Canadian aviation industry continued to recover in 2022. While the number of passengers enplaned and deplaned at Canadian airports in 2022 (117.3 million) was roughly two and a half times greater than the number in 2021, it remained less than three-quarters (72.0%) of the 2019 pre-pandemic level (162.9 million). In 2022, passenger traffic increased significantly at Canada's four largest airports. Toronto/Lester B Pearson International, Vancouver International, Montréal/Pierre Elliott Trudeau International and Calgary International each reported roughly twice the passenger traffic from 2021.

### 2. Porter partners with Macquarie Asset Management on development of Montreal Saint-Hubert Airport passenger terminal

Porter Aviation Holdings Inc. is entering a partnership with Macquarie Asset Management (MAM) to support development of the previously announced passenger terminal at Montréal Saint-Hubert Airport (YHU). A new company, Partenaires d'infrastructure YHU (Québec) s.e.c. / YHU Infrastructure Partners (Québec) LP, is being formed under joint Porter and MAM ownership to develop the terminal. A local management team will operate the facility upon completion. Construction PCL (PCL) has also been selected as the general contractor for the passenger terminal. Work will commence in August 2023, with a scheduled completion by mid-2025.

### 3. Apple TV+ Takes Flight with Air Canada

Air Canada on August 1, 2023 announced the expansion of its award-winning in-flight entertainment with the addition of exclusive Apple TV+ original programming beginning Aug. 1, 2023. The partnership marks Air Canada's latest investment in the customer experience, adding critically acclaimed original programs including *Ted Lasso*, *Bad Sisters*, *Severance*, *Foundation* and many more for its global customers. Earlier this year, Air Canada was recognized by Global Traveler as Best Airline for Onboard Entertainment for the fifth consecutive year, and by the Airline Passenger Experience Association (APEX) with the Passenger Choice Award for Best Entertainment in North America. With 420+ movies, 1,000+ TV episodes, 130+ music albums, podcasts and more, customers can enjoy the best programming from boarding to landing. All content onboard Air Canada's inflight entertainment equipped aircraft is complimentary for all customers. Air Canada's partnership with Apple follows the airline's recent collaboration with Mattel which brings more family fun with some of the most popular kids' shorts.

### 4. U.S. Airlines' June 2023 Fuel Cost per Gallon Down 0.7% from May 2023; Aviation Fuel Consumption Down 1.1% from Pre-Pandemic June 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on August 2, 2023 released U.S. airlines' June 2023 fuel cost and

## AIR TRANSPORTATION

### Canada

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2. Porter partners with Macquarie Asset Management on development of Montreal Saint-Hubert Airport passenger terminal, July 27, 2023, [www.flyporter.com](http://www.flyporter.com)
3. Apple TV+ Takes Flight with Air Canada, August 1, 2023, [www.aircanada.ca](http://www.aircanada.ca)
4. U.S. Airlines' June 2023 Fuel Cost per Gallon Down 0.7% from May 2023; Aviation Fuel Consumption Down 1.1% from Pre-Pandemic June 2019, August 2, 2023, [www.bts.gov](http://www.bts.gov)
5. Air Travel Consumer Report: February 2023 Airline Complaint Data, August 2, 2023, [www.dot.gov](http://www.dot.gov)
6. United States, Mongolia Sign Open-Skies Agreement and Transportation Memorandum, August 4, 2023, [www.dot.gov](http://www.dot.gov)
7. July 2023 U.S. Transportation Sector Unemployment (4.9%) Rises Above the July 2022 Level (4.2%) And the Pre-Pandemic July 2019 Level (4.2%), August 4, 2023, [www.bts.gov](http://www.bts.gov)
8. Canary takes flight for Drone Delivery Canada, August 4, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
9. Air Cargo Contractation Eases in June, August 7, 2023, [www.iata.org](http://www.iata.org)
10. Northern Summer Travel Season off to a Strong Start, August 8, 2023, [www.iata.org](http://www.iata.org)
11. The Canadian Transportation Agency issues administrative monetary penalty to WestJet for contraventions of the Accessible Transportation for Persons with Disabilities Regulations, August 4, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
12. Air Canada Reports Second Quarter 2023 Financial Results, August 11, 2023, [www.aircanada.ca](http://www.aircanada.ca)
13. May 2023 U.S. Airline Traffic Reaches New All-time High for the Month of May, August 10, 2023, [www.bts.gov](http://www.bts.gov)
14. Minister of Transport announces new funding to improve and increase capacity for cargo destined for the North at the Ottawa International Airport, August 9, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
15. The Canadian Transportation Agency issues administrative monetary penalty to WestJet for contraventions of the Accessible Transportation for Persons with Disabilities Regulations, August 4, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

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consumption numbers indicating U.S. scheduled service airlines used 1.597 billion gallons of fuel, 2.0% more fuel than in May 2023 (1.566 billion gallons) and 1.1% less than in pre-pandemic June 2019. The cost per gallon of fuel in June 2023 (\$2.42) was down 2 cents (0.7%) from May 2023 (\$2.44) and up \$0.42 (20.7%) from June 2019. Total June 2023 fuel expenditure (\$3.87B) was up 1.3% from May 2023 (\$3.82B) and up 19.4% from pre-pandemic June 2019. Year-over-year changes in fuel consumption and cost for June 2023 include 9.3% increase in domestic fuel consumption, 33.9% decrease in domestic fuel cost, and 39.5% decrease in cost per gallon. Domestic fuel consumption increased 1.6% from May 2023 to June 2023, while decreasing 0.2% from June 2019. Increased fuel consumption reflects

an increase in airline passenger travel over the same period.

#### **5. Air Travel Consumer Report: February 2023 Airline Complaint Data**

In February 2023, DOT received 6,644 airline service complaints from consumers, down 38.6% from the 10,822 complaints received in January 2023, but up from the 3,735 complaints received in February 2022. Of the 6,644 complaints received in February 2023, 4,405 (66.3%) were against U.S. carriers, 1,928 (29.0%) were against foreign air carriers, and 310 (4.7%) were against travel companies. Flight problems was the highest category of complaints received in February 2023. Of the 6,644 complaints received, 2,115 (31.8%) concerned cancellations, delays, or other deviations from airlines' schedules. Of the 2,115 flight problems complaints, 540 (25.5%) were against Southwest Airlines. DOT is continuing its rigorous and comprehensive investigation into Southwest's meltdown where thousands of flights were cancelled over the 2022 Christmas holiday and into the New Year.

#### **6. United States, Mongolia Sign Open-Skies Agreement and Transportation Memorandum**

In connection with the official state visit between Vice President Kamala Harris and Prime Minister Oyun-Erdene Luvsannamsrai, U.S. Transportation Secretary Pete Buttigieg and Mongolia Road and Transport Development Minister Byambatsogt Sandag signed the U.S.-Mongolia Open Skies Agreement. The Agreement will facilitate greater air connectivity between the United States and Mongolia and will provide the legal framework for nonstop passenger flights. The Agreement, which is now being applied by the two agencies, was finalized on January 24, 2023.

#### **7. July 2023 U.S. Transportation Sector Unemployment (4.9%) Rises Above the July 2022 Level (4.2%) And the Pre-Pandemic July 2019 Level (4.2%)**

The unemployment rate in the U.S. transportation sector was 4.9% (not seasonally adjusted) in July 2023 according to Bureau of Labor Statistics (BLS). These data have been updated on the Bureau of Transportation Statistics' (BTS) [Unemployment in Transportation](#) dashboard. In July 2023, the transportation sector unemployment rate rose 0.7 percentage points from 4.2% in July 2022 and was above the pre-pandemic July 2019 level of 4.2%. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020.

#### **8. Canary takes flight for Drone Delivery Canada**

Drone Delivery Canada Corp.'s Canary remotely piloted aircraft has completed its first commercial flights. The company completed three round trip flights with the Canary on the Care by Air route, which is DDC's longest commercial route at 13.4km. All flights were completed in accordance with the Canadian Aviation Regulations. The third flight was completed in wind conditions where the company's smaller Sparrow RPA could not have flown, highlighting the improved flight dynamics of the Canary over the Sparrow.

#### **9. Air Cargo Contraction Eases in June**

The International Air Transport Association (IATA) released data for June 2023 global air cargo markets showing the smallest year-over-year contraction in demand since February 2022. Global demand, measured in cargo tonne-kilometers (CTKs), fell 3.4% in June compared to June 2022 (-3.7% for international operations). For the half year, demand slid 8.1% compared to the January-June period of 2022 (-8.7% for international operations). However, demand in June 2023 was only 2.4% below June 2019 levels (pre-pandemic). Capacity, as measured by available cargo tonne-

16. U.S. Cargo and Passenger Airlines Added 1,992 Jobs in June 2023; Employment Remains 7.9% Above Pre-Pandemic June 2019, August 11, 2023, [www.bts.gov](http://www.bts.gov)

17. Cargojet reports weaker profit, cuts costs as consumer spending slows, August 14, 2023, [www.financialpost.ca](http://www.financialpost.ca)

18. Air Canada Named the Favourite Airline in North America for the Fifth Consecutive Year at the 2023 Trazee Awards, August 15, 2023, [www.aircanada.ca](http://www.aircanada.ca)

19. The Canadian Transportation Agency issues administrative monetary penalty to Air Canada for contravention of the Accessible Transportation for Persons with Disabilities Regulations, August 16, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

20. WestJet adds new non-stop route connecting Kelowna and Toronto to winter schedule, August 16, 2023, [www.westjet.ca](http://www.westjet.ca)

21. Air Canada and Hopper Partner to Offer Travellers More Freedom and Flexibility, August 16, 2023, [www.aircanada.ca](http://www.aircanada.ca)

22. New electric cargo plane joins growing global fleet, August 17, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)

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25. American Air pilots approve record contract with higher pay, August 21, 2023, [www.ajot.com](http://www.ajot.com)

26. Porter launching daily service to five Florida destinations this fall, August 24, 2023, [www.flyporter.com](http://www.flyporter.com)

27. Porter Airlines launches mobile app, August 28, 2023, [www.flyporter.com](http://www.flyporter.com)

28. DOT Fines American Airlines \$4.1 Million for Unlawfully Keeping Thousands of Passengers on the Tarmac for Hours, August 28, 2023, [www.dot.gov](http://www.dot.gov)

kilometers (ACTKs), rose 9.7% compared to June 2022, which was a slower rate compared to the double-digit growth recorded between March and May. This reflects strategic capacity adjustments airlines are making amid a weakened demand environment. Capacity for the first half of 2023 was up 9.9% compared to a year ago. Capacity is now 3.7% above June 2019 (pre-pandemic) levels.

#### **10. Northern Summer Travel Season off to a Strong Start**

The International Air Transport Association (IATA) announced that the post-COVID recovery momentum continued in June 2023 for passenger markets. *Total traffic* in June 2023 (measured in revenue passenger kilometers or RPKs) rose 31.0% compared to June 2022. Globally, traffic is now at 94.2% of pre-COVID levels. For the first half of 2023, total traffic was up 47.2% compared to the year-ago period. *Domestic traffic* for June rose 27.2% compared to the same month a year ago and was 5.1% above the June 2019 results. Domestic demand was up 33.3% in the 2023 first half compared to a year ago. *International traffic* climbed 33.7% versus June 2022 with all markets showing robust growth. International RPKs reached 88.2% of June 2019 levels. First half 2023 international traffic was up 58.6% over the first half of 2022. "The northern summer travel season got off to a strong start in June with double-digit demand growth and average load factors topping 84%. Planes are full which is good news for airlines, local economies, and travel and tourism dependent jobs. All benefit from the industry's ongoing recovery," said Willie Walsh, IATA's Director General.

#### **11. The Canadian Transportation Agency issues administrative monetary penalty to WestJet for contraventions of the Accessible Transportation for Persons with Disabilities Regulations**

The Canadian Transportation Agency (CTA) has issued an administrative monetary penalty of \$85,500 against WestJet related to violations of the Accessible Transportation for Persons with Disabilities Regulations (ATPDR). In December 2022, WestJet had refused to transport a person with a disability, as well as their mobility aid, on one of its flights. The carrier also had failed to provide a written notice, within 10 days of the occurrence, explaining the reasons for the refusal to transport the person with a disability, and another for the refusal relating to their mobility aid. Contraventions relate to subsections 40(1), 48(a), 60(1) and 60(2) of the ATPDR.

#### **12. Air Canada Reports Second Quarter 2023 Financial Results**

"Air Canada's second quarter results were driven by strong demand and show the effectiveness of our plan. As a result of the hard work of our people, the appeal of our growing global network, as well as our leading brand and product offering, operating revenues in the quarter reached \$5.4 billion, an increase of 36 per cent from a year ago. Operating income was \$802 million, a year-over-year improvement of over \$1 billion, and our adjusted EBITDA reached \$1.2 billion with an adjusted EBITDA margin of 22.5 per cent," said Michael Rousseau, President and Chief Executive Officer of Air Canada.

The second quarter highlights in detail are: 1. Second quarter operating revenues of \$5.427 billion increased \$1.446 billion from the same quarter in 2022, driven by a 42 per cent year-over-year increase in passenger revenues. Operated capacity increased 21 per cent from the second quarter of 2022, one percentage point lower than the projection provided in Air Canada's May 12, 2023, news release. 2. Operating expenses of \$4.625 billion increased \$391 million or 9 per cent from the second quarter of 2022, driven by increases in nearly all line items reflecting higher operated capacity and traffic year-over-year, partially offset by a 31.4 per cent decrease in jet fuel prices. 3. Operating income of \$802 million, with an operating margin of 14.8 per cent, an improvement of over \$1 billion from an operating loss of \$253 million in the second quarter of 2022. 4. Adjusted EBITDA of \$1.220 billion, with an adjusted EBITDA margin of 22.5 per cent, an increase of \$1.066 billion and of 18.6 percentage points, respectively, from the second quarter of 2022. 5. Net income of \$838 million improved \$1.224 billion from the second quarter of 2022. Diluted earnings per share of \$2.34 compared to a diluted loss per share of \$1.60 in the second quarter of 2022. 6. Adjusted net income of \$664 million improved \$1.119 billion from the second quarter of 2022. Adjusted earnings per diluted share of \$1.85 compared to an adjusted loss per diluted share of \$1.12 in the second quarter of 2022, an improvement of \$2.97 per diluted share.

#### **13. May 2023 U.S. Airline Traffic Reaches New All-time High for the Month of May**

U.S. airlines carried 81.8 million systemwide (domestic and international) scheduled service passengers in May 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, May enplanements are down 1.7% from April and down 5.5% from the all-time high reached in January 2020. BTS reported 71.4 million domestic passengers and 10.4 million international passengers on U.S. airlines flights in May 2023, not adjusting for seasonality. Systemwide enplanements (81.8M) reached a new all-time high for the month of May, not adjusted for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 and complete data since 2000.

#### **14. Minister of Transport announces new funding to improve and increase capacity for cargo destined for the North at the Ottawa International Airport**

On August 9, 2023, the Minister of Transport, the Honourable Pablo Rodriguez, announced an investment of up to \$11 million under the National Trade Corridors Fund. This investment will be used to build a new cargo facility for Canadian North, the Inuit-owned airline. To further enhance this commitment, Canadian North will be matching the Government of Canada's investment, bringing the total combined funding for this project up to \$22 million. This warehouse will be located on the grounds of Ottawa International Airport and will reduce delays in cargo handling capacity and increase connectivity between different modes of transportation at the airport. For example, the project would expand the truck loading area, where queues have created congestion in the past. In total, this project will also double the capacity for Canadian North in Ottawa.

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**16. U.S. Cargo and Passenger Airlines Added 1,992 Jobs in June 2023; Employment Remains 7.9% Above Pre-Pandemic June 2019**

U.S. airline industry (passenger and cargo airlines combined) employment increased to 801,801 workers in June 2023, 1,992 (0.25%) more workers than in May 2023 (799,809) and 58,431 (7.86%) more than in pre-pandemic June 2019 (743,370). U.S. scheduled-service passenger airlines employed 525,334 workers in June 2023 or 66% of the industry-wide total. Passenger airlines added 3,481 employees in June 2023 for the twenty-sixth consecutive month of job growth dating back to May 2021. United Air Lines led scheduled passenger carriers, adding 1,094 employees; Delta added 965, and American Airlines added 501. U.S. cargo airlines employed 271,624 workers in June 2023, 34% of the industry total. Cargo carriers lost 1,489 employees in June. FedEx, the leading air cargo employer, decreased employment by 1,504 jobs.

**17. Cargojet reports weaker profit, cuts costs as consumer spending slows**

Cargojet Inc. reported weaker profits and revenue for the second quarter, citing a slowdown in spending on goods as consumers allocated more money to travel amid high inflation. The air cargo company said in its earnings release on Aug. 14, 2023 that net income was \$31.1 million, down from \$160.9 million the previous year.

**18. Air Canada Named the Favourite Airline in North America for the Fifth Consecutive Year at the 2023 Trazee Awards**

Air Canada has been recognized for the fifth consecutive year by Trazee Awards as North America's favourite airline for 2023. "Travel connects people, families, cultures and communities, and Air Canada is thrilled to be recognized again by this important and discerning demographic as their favourite airline in North America. We're continuing to introduce more product and service upgrades in lounges, food, beverages, onboard entertainment and digital options to offer additional comfort and convenience across Air Canada's travel journey. We look forward to welcoming customers onboard across our global network," said Mark Nasr, Executive Vice President, Marketing and Digital, and President of Aeroplan at Air Canada. This Trazee Award builds on Air Canada's recent recognition as the World's Most Family Friendly Airline at the Skytrax World Airline Awards. Ten other honours were received by the airline in 2023.

**19. The Canadian Transportation Agency issues administrative monetary penalty to Air Canada for contravention of the Accessible Transportation for Persons with Disabilities Regulations**

The Canadian Transportation Agency (CTA) has issued an administrative monetary penalty of \$50,000 against Air Canada related to a violation of the Accessible Transportation for Persons with Disabilities Regulations (ATPDR). On or about January 16, 2023, Air Canada failed to provide a temporary replacement mobility aid that met the mobility needs of a person with a disability who did not retain their mobility aid during their flight and which was not made available to the person at their arrival. Air Canada's failure contravenes subsection 61(a) of the ATPDR.

**20. WestJet adds new non-stop route connecting Kelowna and Toronto to winter schedule**

WestJet on August 16, 2023 announced the addition of non-stop service between Kelowna and Toronto to the airline's 2023/24 winter schedule. Operating twice weekly, WestJet's winter service between Kelowna and Toronto will begin November 5, 2023. "WestJet is pleased to offer enhanced connectivity between Kelowna and Toronto now on this winter which will provide a convenient and affordable travel option for our guests travelling between these two cities for business or leisure," said Jane McCurdy, WestJet Director, Network Planning and Alliances. "The addition of this new route to our winter schedule, is a further continuation of our growth strategy's focus on providing non-stop service connecting eastern and Western Canada twelve months of the year."

**21. Air Canada and Hopper Partner to Offer Travellers More Freedom and Flexibility**

Air Canada on August 16, 2023 announced a partnership with Hopper, giving the airline's customers more freedom and flexibility to change their travel plans when booking on aircanada.com (Canadian edition). For a fee, travellers can now add Cancel for Any Reason to eligible non-refundable fare types booked on the Air Canada website, offering additional peace of mind. Cancel for Any Reason, powered by Hopper, allows customers to easily cancel their flight up to 24 hours before scheduled departure. Depending on the level of coverage purchased, upon cancellation, a refund of 80 or 100 per cent of the original eligible booking is issued immediately to the user's preferred payment method – with no additional wait time or extra steps needed. Cancel for Any Reason is available for Standard, Flex, Premium Economy Lowest and Business Class Lowest fares.

#### **22. New electric cargo plane joins growing global fleet**

The DANX Carousel Group and Electron aerospace are entering a strategic partnership to launch Electron 5, an electric, zero-emission cargo aircraft. DANX Carousel is investing in the Dutch aircraft manufacturer as the “Founding Logistics Partner” for the project. Electron aerospace is currently developing the Electron 5 aircraft, which has been designed to transport 500 kilograms of cargo over a 500-kilometre distance on a single battery charge.

#### **23. WestJet service update: B.C. wildfires**

Due to the closure of Kelowna's airspace to aid firefighting efforts, we have cancelled all flights on Sunday, August 20, to and from Kelowna until 9:30 p.m. (local). As the situation continues to evolve, in alignment with NAV Canada, an assessment will be made on the remainder of flights scheduled to operate following 9:30 p.m. local to and from Kelowna this evening. All guests travelling to or from Kelowna are encouraged to check the status of their flights before heading to the airport. In response to the wildfires impacting the Okanagan region, a [travel advisory](#) has been posted on WestJet.com and flexible change/cancel guidelines have been announced for all guests travelling to Kamloops and Penticton between August 20 and 31, 2023. All guests travelling to or from Kamloops or Penticton are encouraged to check the status of their flights before heading to the airport.

#### **24. Quarterly civil aviation statistics, first quarter 2023**

Quarterly civil aviation statistics are now available for the first quarter of 2023 on Statistics Canada website. In the first quarter of 2023 there were 24 carriers that carried 20,445 billion passengers and 189,406 billion kilograms compared to 24 carriers, 10,285 billion passengers and 317,844 billion kilograms in the first quarter of 2022.

#### **25. American Air pilots approve record contract with higher pay**

American Airlines Group Inc. pilots approved a new contract that would provide 46% in cumulative pay raises and retirement contributions over its four-year term, along with a bonus, improved scheduling, sick leave and insurance benefits. The pact will add about \$9.6 billion in incremental costs for the airline over its duration, the Allied Pilots Association said in a statement on August 21, 2023. That makes it the most expensive labor contract ever for a US carrier, topping the \$7.2 billion value of an accord Delta Air Lines Inc. pilots secured in March 2023. The Fort Worth, Texas-based airline's pilots voted 73% in favor of ratification, the union said. American pilots, whose last raise was in 2019, will receive \$1.1 billion immediately in a signing bonus and a special payment for past years, the union said. Labor relations across the industry have been particularly tense, with unions seeking increases in compensation and more flexible work schedules after years without raises and as carriers rake in record revenue on the strong rebound in travel demand. Pilots and flight attendants have frequently picketed at airports and outside of company meetings this year. Labor and jet fuel are the two largest expenses for carriers.

#### **26. Porter launching daily service to five Florida destinations this fall**

Porter Airlines is launching daily service to the U.S. with its new Embraer E195-E2 aircraft, covering Florida with five destinations. Passengers will travel in a style unlike any carrier serving this market, with Porter's elevated economy experience. Service includes Toronto Pearson International Airport (YYZ) to Fort Lauderdale (FLL), Fort Myers (RSW), Miami (MIA), Orlando (MCO), and Tampa (TPA); as well as Ottawa International Airport (YOW) to Fort Lauderdale (FLL), and Orlando (MCO). All routes begin with one daily, roundtrip flight.

#### **27. Porter Airlines launches mobile app**

Porter Airlines is launching a mobile app to make the travel experience even easier for passengers. The Porter app is designed to enhance self-service options, giving passengers more control of their journey with easy access to key functionalities in one place. These include the ability to check-in, access booking details, select seats, add bags, manage flight changes, access boarding passes and receive real-time flight notifications. “As Porter expands into dozens of new markets in the next few years, it's important we maintain and elevate the level of ease and convenience that passengers are accustomed to when flying with us,” said Kevin Jackson, executive vice president and chief commercial officer, Porter Airlines. “The Porter app enhances communications, allowing passengers to take control of their experience, rather than waiting to speak with an airport representative or call centre agent.”

#### **28. DOT Fines American Airlines \$4.1 Million for Unlawfully Keeping Thousands of Passengers on the Tarmac for Hours**

The U.S. Department of Transportation (DOT) on August 28, 2023 fined American Airlines \$4.1 million for violating federal statutes and the Department's rule prohibiting tarmac delays of three hours or more on domestic flights without providing passengers an opportunity to deplane. DOT's investigation found that American kept dozens of flights stuck on the tarmac for long periods of time without letting passengers off. DOT is ordering American to pay the largest fine ever issued for tarmac delay violations and cease and desist from violating the law. This fine is part of DOT's unprecedented effort to ensure the traveling public is protected, including returning more than \$2.5 billion in refunds to travelers. "This is the latest action in our continued drive to enforce the rights of airline passengers," said *U.S. Transportation Secretary Pete Buttigieg*. "Whether the issue is extreme tarmac delays or problems getting refunds, DOT will continue to protect consumers and hold airlines accountable."

## **WATER TRANSPORTATION**

### **1. New tentative deal reached in B.C. port strike**

The two sides involved in a labour dispute affecting about 7,400 port workers in B.C. say they've reached another tentative deal. The International Longshore and Warehouse Union Canada and B.C. Maritime Employers Association issued a joint statement late on July 30, 2023 saying a deal has been reached with help from the Canada Industrial Relations Board, which had been tasked with ending the dispute that had dragged on since the beginning of the month.

### **2. CMA CGM second-quarter 2023 financial results**

First-quarter 2023 trends remained at play in the second quarter of 2023, with deteriorated market conditions in the transport and logistics industry. Despite a rebound in demand for transport in the second quarter of 2023 compared with the previous quarter, driven by a degree of macroeconomic resilience and lower energy prices, the transport and logistics market remains depressed. Revenue stood at USD 12.3 billion in the second quarter of 2023, driven mostly by the Group's shipping business. EBITDA came to USD 2.6 billion, 73% lower than in the second quarter of 2022. EBITDA margin came in at 21.1%, down 28.1 points. Net income, Group share amounted to USD 1.3 billion. Financial resources net of debt totaled USD 3.8 billion on June 30, 2023, down USD 1,852 million from December 31, 2022.

### **3. Shipping companies are on a spending spree**

The world's biggest shipping companies are plowing their pandemic windfalls into orders for new vessels on an unprecedented scale, making an industry known for hair-raising cycles of boom and bust more vulnerable in the latest downturn. Container carriers like MSC Mediterranean Shipping Co., A.P. Moller-Maersk A/S, CMA CGM SA and Hapag-Lloyd AG — all backed by European billionaires — are spending record profits gleaned during the health crisis to splash out on new models mostly from Korean and Chinese shipyards. This has pushed the global order pipeline to a historic level — almost \$90 billion by one estimate. But the tide has turned in the notoriously cyclical sector as freight rates flirt with below-breakeven levels and fears about overcapacity re-emerge. "Too many large container ships have been ordered," said Erik I. Lassen, chief executive officer of Danish Ship Finance A/S, a company providing vessel financing. He noted that deliveries are now starting at a time when supply chains are running more smoothly and demand for freight transport is back to pre-pandemic levels. "There will be shipowners — tonnage providers — out there that will have stretched themselves," he said in an interview. "Although the last couple of years have been profitable for shipping, the accumulated earnings are far from enough to fund the investment in new technology and ships in the coming decade." The outlook has grown cloudier for the tycoons, whose companies have begun a chorus of negative forecasts for the coming months. On Friday, July 28, 2023, France's CMA CGM, controlled by billionaire Rodolphe Saade and his family, warned about deteriorated market conditions and said new vessel capacity "is likely to weigh on freight rates."

## **WATER TRANSPORTATION**

### **Canada**

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2. CMA CGM second-quarter 2023 financial results, July 30, 2023, [www.ajot.com](http://www.ajot.com)
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12. B.C. labour dispute: It's time for an industrial inquiry commission into ports and automation, August 9, 2023, [www.insidelogistics.com](http://www.insidelogistics.com)
13. Smooth, efficient traffic flow: the Port of Montreal opens its new overpass in the Viau sector, August 9, 2023, [www.ajot.com](http://www.ajot.com)
14. Shipping CEO sees 'green shoots,' says container rates must rise, August 10, 2023, [www.ajot.com](http://www.ajot.com)
15. Seaport automation set to surge, August 10, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
16. Yang Ming announces financial status for Q2 2023, August 11, 2023, [www.ajot.com](http://www.ajot.com)
17. Transport Canada ensuring safety on the water by restricting vessel traffic on the St. Clair River on August 20, 2023, August 11, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
18. Container market sentiment signals rebound: A 'Shipper's Market' this peak season, August 14, 2023, [www.ajot.com](http://www.ajot.com)
19. Cargo volume dips in July at Port of Long Beach, August 15, 2023, [www.ajot.com](http://www.ajot.com)
20. Panama Canal delays raise risks for shippers, but not yet biting, August 11, 2023, [www.joc.com](http://www.joc.com)
21. MARAD Designates Two New Marine

#### 4. New settlement reached in BC ports strike

After a busy end of July weekend, a new deal has been reached between the International Longshore and Warehouse Canada (ILWU) and the British Columbia Maritime Employers Association (BCMEA). Both parties are recommending ratification of the negotiated collective agreement to the union's membership and member employers respectively. The deal was negotiated with the assistance of the Canada Industrial Relations Board. On Friday, July 28, 2023, IWLWU members voted down the agreement that had been negotiated on July 13th to end a strike by 7,400 members of the union at 30 BC ports, including Vancouver and Prince Rupert. The BCMEA said the rejected deal included a four-year package with a wage increase of 19.2 percent. "This would have potentially increased the median union longshore compensation from \$136,000 to \$162,000 annually, not including benefits and pension. Over the course of the past 13 years, longshore wages have risen by 40 percent, ahead of inflation at 30 percent," the BCMEA said in a statement. After the union rejected the deal, the federal labour minister Seamus O'Regan decided to use his authority under section 107 of the Canada Labour Code to "preserve industrial peace" and directed the matter to the Canada Industrial Relations Board (CIRB). O'Regan has directed the CIRB to determine whether the union's rejection of the tentative agreement has eliminated the possibility of a negotiated resolution. In that case, the Minister directed the board to either impose a new collective agreement or impose final binding arbitration to resolve outstanding terms of the collective agreement. Over the weekend the union and employers came to a negotiated agreement, avoiding the need to impose an agreement. Details are not available.

#### 5. Shipping line ONE's profits plunge but still top pre-COVID levels

During the peak of the supply chain crisis, accusations flew, alleging that shipping lines were somehow colluding to prop up rates and gouge customers. Recent results posted by ocean carriers undermine those claims. They show the container shipping market behaving the same way commodity shipping markets always have: Rates spike when cargo demand exceeds transport supply, and once the imbalance passes, competition brings rates and utilization back to normal. Ocean Network Express (ONE), the world's sixth-largest shipping line, reported its latest quarterly results on Monday (the first quarter of its fiscal 2023 year, running from April to June), July 31, 2023. As with other carriers, ONE's numbers show a reversion toward pre-pandemic levels, albeit not all the way back yet. ONE reported net income of \$513 million, down 91% from the boom-inflated results a year ago and down 58% compared to January-March. However, its bottom line was still much better than pre-COVID. In April-June 2019, ONE reported net income of \$5 million. In April-June 2018, it lost \$120 million.

#### 6. North Carolina Ports delivers record-breaking performance in fiscal year 2023

The North Carolina State Ports Authority reported record operating revenue of \$79.3 million for Fiscal Year 2023 which is a 16.7% increase from the previous record of \$68 million set in Fiscal Year 2022. This strong performance was driven by year-over-year growth in throughput volume, a record year for general cargo, and strong annual intermodal growth. "The entire NC Ports team continues to focus on supporting our customers and delivering on our mission, and did a tremendous job identifying solutions to safely grow our volumes during the year," said Brian Clark, Executive Director, North Carolina State Ports Authority. Container volume through the Port of Wilmington increased by seven percent year over year. With a continued focus on growing cargo volumes and expanding global coverage, the NC Ports team secured two new vessel services in FY23. NC Ports added the 2M Emerald/TP16/ZSA Service to its growing rotation of services and carriers as well as Ellerman City Liners. These new services expanded the Port of Wilmington's global connectivity, including 12 new relay ports and six new direct port calls to Singapore, Xiamen, Yantian, Bilbao, Hamburg, and Rotterdam.

#### 7. B.C. port workers vote on deal as businesses calculate losses

Fleets and business organizations alike continue to calculate the economic fallout of a July 2023 strike at B.C. ports, as longshore workers vote for a new collective agreement on Aug. 3 and 4, 2023. The tentative deal has been supported by the International Longshore and Warehouse Union (ILWU) Canada and the B.C. Maritime Employers Association. "We look forward to rebuilding our reputation as a stable gateway to and from Canada and hopefully earn the trust back that has been eroding since this job action took place," said Kimberly Transport general manager and Port Transportation Association spokesman Tom Johnson. A previously mediated deal was rejected at the end of July 2023, after strike action that ran July 1 to 13, 2023. Labour Minister Seamus O'Regan called on the Canada Industrial

Highway Routes, August 16, 2023, [www.dot.gov](http://www.dot.gov)  
22. Shipping line commits to four methanol powered vessels, August 17, 2023, [www.freightwaves.com](http://www.freightwaves.com)  
23. Trans-Atlantic shipping suffers 'meltdown' as rates hit new low, August 17, 2023, [www.freightwaves.com](http://www.freightwaves.com)  
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27. Panama Canal delays may mean lean Christmas for retailers, August 23, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)  
28. Port of Los Angeles cargo volume slips in July, August 23, 2023, [www.ajot.com](http://www.ajot.com)  
29. Port of Halifax celebrates longstanding relationship with Holland America Line, August 24, 2023, [www.ajot.com](http://www.ajot.com)  
30. Panama Canal Authority extends water restrictions August 25, 2023, [www.americanshipper.com](http://www.americanshipper.com)

Relations Board to intervene. Johnson believes the government should have stepped in sooner. “When this all shakes out, we’ll see who’s left in the industry,” he said, referring to drayage fleets and owner-operators in the area. “It’s only a matter of time before some trucking companies either pull the pin or they’re forced to go under.”

#### **8. Global shipping costs creep higher after 16-month freefall**

Spot rates for shipping containers jumped by the most in more than two years, a sign that a 16-month slump in ocean-freight costs that helped ease the sting of goods inflation is over. The Drewry World Container Index composite increased 11.8% to \$1,761 for a 40-foot container, the fourth straight advance and biggest week-on-week percentage gain since June 2021. The composite — which reflects short-term rates across eight trade routes connecting Asia, Europe and the US — had fallen in 15 of the 16 months through June. The costs for shipping from Shanghai to Los Angeles reached \$2,322 per 40-foot container unit, an 11.3% gain from the previous week and fifth straight increase, according to Drewry. From Shanghai to Rotterdam, the rate jumped 25% to \$1,620, the most since January 2021. Shipping rates jumped tenfold to record highs during the height of the pandemic as consumers loaded up on household items and Covid-19 led to clogged logistics networks. The costs to move containers have since returned to levels reached before the health crisis, weighed down recently by bloated inventories and subdued consumer spending.

#### **9. B.C. port workers ratify deal, end labor disruptions**

British Columbia’s port workers have voted almost 75% in favor of accepting a contract offer, ending weeks of turbulent job action that stopped billions of dollars’ worth of goods from being shipped. In a statement on the International Longshore and Warehouse Union Canada website, president Rob Ashton says the results of the latest ratification vote came in 74.66% in favor of the agreement. Federal Labour Minister Seamus O’Regan confirmed in a tweet that both the ILWU and the B.C. Maritime Employers Association have ratified the deal, ending the dispute. O’Regan says, however, that he is directing federal officials to review the entire case to avoid a port disruption of this magnitude from happening in the future. The employers association says in a statement that it ratified the four-year deal, which “includes increases in wages, benefits and training that recognizes the skills and efforts of B.C.’s waterfront workforce,” on Monday, August 7, 2023.

#### **10. Port of Vancouver: Accumulated Container Report January to June 2023**

The Port of Vancouver reported its accumulated container traffic on August 7, 2023. For the period, January to June 2023, total container traffic (TEUs) was 1,554,905 compared to 1,803,477 for the same period a year ago, down 13.8%. Total import traffic was 790,308 compared to 951,122 down 16.9%. Total export traffic was 764,597 compared to 852,356 down 10.3%.

#### **11. August cargo volume should be highest since last fall**

Import cargo volume at US container ports is expected to hit its highest level in nearly a year this month as retailers stock up for the winter holidays, according to the *Global Port Tracker* report released by the National Retail Federation and Hackett Associates. “Port and package-delivery labor negotiations that threatened the supply chain at the beginning of the summer have been resolved and retailers are now focused on preparing for the all-important holiday season,” NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. “There are always supply challenges to be faced but holiday merchandise is flowing into the country, and we expect to see a smooth shipping season ahead of the winter holiday shopping season.” Labor and management at West Coast ports reached a tentative contract agreement in June, a 13-day port strike in western Canada that affected some U.S. retailers last month ended with a tentative agreement, and United Parcel Service and the Teamsters agreed on a tentative contract that avoided a potential August 1 strike. The Canadian labor agreement was ratified on August 4, 2023, but the others are still going through their ratification processes.

#### **12. B.C. labour dispute: It’s time for an industrial inquiry commission into ports and automation**

To understand the current dispute, we need to overturn the myth that west coast unionized dockworkers have refused to accept new cargo handling technologies. Industrial commissions have helped management and union find a path out of an impasse before — even if not everyone likes what they recommend. One of the original clauses in the 1963 Mechanization and Modernization Agreement stated that Vancouver-bound containers had to be filled and emptied by ILWU members. Against the wishes of many union members, the container clause was eliminated on the recommendation of the 1987 Weiler Commission and replaced by a pension funding arrangement to ensure ILWU members shared the resulting gains. The 1995 Jamieson and Greyell Commission strongly rejected the notion that port workers be denied the right to strike — as requested by some agricultural and business interests — but it did recommend the 72-hour strike/lockout notification period now included in the Canada Labour Code. A commission on port automation can share information, promote understanding and make recommendations. It would examine trends in container terminal automation, as well as technology trends in non-containerized and commodity-exporting terminals. It can determine the nature and extent of the skills shortage in B.C. ports and look into the adequacy of existing recruitment, retention and training systems. And it can learn from the experiences of port workers, especially casual



workers and skilled tradespersons. We need a new agreement between employers and employees in the B.C. ports that will allow both sides to continue to enjoy the benefits of new workplace technologies.

### **13. Smooth, efficient traffic flow: the Port of Montreal opens its new overpass in the Viau sector**

After two years of construction, the Port of Montreal has officially opened its new overpass over Notre-Dame Street East in the Viau sector. Intended to remove close to 1,500 trucks a day from the local road network, this new infrastructure will improve the efficiency and fluidity of freight transport. Providing a direct connection between bulk and container terminals, the new overpass opened by the Montreal Port Authority (MPA) will enable trucks leaving the Port of Montreal to take Dickson Street then Souigny Avenue directly to Highway 25. This will make it possible for about 1,500 trucks a day to bypass Notre-Dame Street. In addition to saving time for truck drivers, ensuring a smoother flow of goods and improving the efficiency of port operations, this new infrastructure will limit disruptions for residents of the Mercier-Hochelaga-Maisonneuve borough. To ensure harmonious integration into the urban fabric and address the concerns of neighbouring communities, the MPA followed a thorough consultation and information process throughout the project. In all, three public consultations were held at key stages during the project's planning phase to define the major orientations and enhance the concept. The new infrastructure features a number of eco-responsible attributes, such as efficient rainwater management with drainage channels, the integration recycled glass in certain concrete components, and lighting in compliance with International Dark-Sky Association (IDA) standards.

### **14. Shipping CEO sees 'green shoots,' says container rates must rise**

The container shipping industry's year-long slump shows preliminary signs of turning the corner, though it's not clear yet if a rebound is sustainable, the chief of Europe's fourth-biggest carrier said. "The market is definitely still not strong but I think we see some signs of stabilization," Hapag-Lloyd AG Chief Executive Officer Rolf Habben Jansen said in an interview. "We've seen just a bit of an uptick as we anticipated — now we need to see how long that holds." He spoke after the Hamburg, Germany-based company announced that demand was subdued in the first half and confirmed its full-year forecast published in March 2023. The shares were down about 5% in midday trading. Ocean-cargo companies that haul four-fifths of the world's merchandise trade brought in windfall profits in 2021 and early 2022 as consumer demand for goods surged, clogging ports and squeezing ship capacity. Hapag-Lloyd, A.P. Moller-Maersk A/S and other carriers have since watched record-high spot rates for containers tumble eightfold from their 2021 peak.

### **14. Seaport automation set to surge**

The maritime industry has been adding automation in a hurry in the wake of global seaport congestion. In addition to solutions such as gantries, automated port gates, and stacking cranes, autonomous horizontal transport modes such as automated guided vehicles (AGVs) that transport containers and loads to and from ships have been the most productivity-augmenting solutions in seaports. According to ABI Research, a global technology intelligence firm, AGV seaport deployments worldwide will have a compounded annual growth rate (CAGR) of over 26 percent from 2022 to 2030. This will include over 370,000 global deployments by 2027.

### **16. Yang Ming announces financial status for Q2 2023**

Yang Ming Marine Transport Corporation (Yang Ming) announced its financial report for the first half of 2023. Accordingly, the consolidated revenues in Q2 stood at NT\$ 35.05 billion (US\$ 1.15 billion). The Company's after-tax net loss and that per EPS came to NT\$ 0.13 billion (US\$ 4.27 million) and NT\$ -0.04, respectively. The consolidated revenues for the first half of 2023 stood at NT\$ 72 billion (US\$ 2.36 billion). The Company's after-tax net profit and that per EPS were NT\$ 3.27 billion (US\$ 107.04 million) and NT\$ 0.94, respectively. The maritime industry in the first half of the year was impacted mainly by inflation and uncertainty in the global economy. Additionally, freight rates declined compared to the same period last year, leading to a decrease in revenue compared to the corresponding period last year. According to the data released by the International Monetary Fund (IMF) World Economic Outlook in July 2023, despite the 3% upward revision of the global economic growth rate for 2023, the overall inflation rate is projected to decrease from last year's 8.7% to 6.8%. However, the persistent inflationary pressures have prompted the world's central banks to implement interest rate hike policies, thereby impacting economic activities. As a result, the overall momentum for economic recovery over the next two years still appears relatively weak.

### **17. Transport Canada ensuring safety on the water by restricting vessel traffic on the St. Clair River on August 20, 2023**

To ensure the safety of everyone on the water, Transport Canada is restricting the movement of vessel traffic within the public Port of Sarnia. Under these restrictions, no unauthorized traffic will be permitted on the Canadian side of the St. Clair River, from the Blue Water Bridge, to the upper end of Stag Island, between 12 p.m. and 7 p.m. on August 20, 2023. A Navigational Warning (NAVWARN) about temporary vessel restrictions for this day was issued on August 10, 2023. The notice was issued to inform all mariners about temporary vessel traffic restrictions during an expected increase in the number of people using the St. Clair River during the Port Huron Float Down event on Sunday, August 20, 2023.

### **18. Container market sentiment signals rebound: A ‘Shipper’s Market’ this peak season**

Despite the ongoing market fluctuations, the Container Price Sentiment Index (xCPSI) has exhibited resilience and witnessed growth in July 2023 as compared to the month of June 2023. The forecaster, ContainerxChange also noted that container prices have been relatively stable over the past 30 days (July) as compared to the previous 90 days (May-July). The Container Price Sentiment Index (xCPSI) conducts market surveys concurrently and distills industry experts' collective insights about container price trends into a quantitative measure, providing insight into near-future expectations for the container market dynamics. In July, 2,570 supply chain professionals participated in the survey. While the opinion is varied, still most respondents (42%) foresee an increase in container prices in the near term which is indicative of potential market improvement, 28% foresee a further decline in container prices, suggesting a certain degree of pessimism in market conditions. 30% of those surveyed maintained that prices would remain unchanged. This growth in sentiment underscores the industry's anticipation of an imminent turnaround, contributing a sense of positivity to the landscape.

### **19. Cargo volume dips in July at Port of Long Beach**

Trade dipped at the Port of Long Beach in July 2023 due to adjusted trade routes, full warehouses, and a shift in consumer spending to travel, entertainment, and other experiences. Dockworkers and terminal operators moved 578,249 twenty-foot equivalent units (TEUs) last month, down 26.4% from July 2022, which was the Port's busiest July on record. Imports declined 27.9% to 271,086 TEUs, while exports decreased 17.6% to 90,134 TEUs. Empty containers moving through the Port were down 27.7% to 217,030 TEUs. "I am confident we will see our numbers improve as we work with industry partners to rebuild our market share," said Port of Long Beach CEO Mario Cordero. The Port has moved 4,310,925 TEUs during the first seven months of 2023, down 25.6% from the same period last year. Cargo flows are now closer to pre-pandemic levels when the Port of Long Beach moved 4.3 million TEUs through the first seven months of 2019.

### **20. Panama Canal delays raise risks for shippers, but not yet biting**

Vessel and draft restrictions on the Panama Canal have not affected most shippers — at least not yet — but the resulting queue of container ships waiting to transit the canal does bear watching for importers moving goods into the US for the coming fall and winter seasons. On August 8, 2023, the Panama Canal Authority reduced the total number of ships that can pre-reserve a transit to 14 from 19, with that reduction expected to last through Aug. 21, 2023. The reduction means fewer than 34 ships can move through the canal in both directions daily, compared with the 34 to 42.

### **21. Shipping line commits to four methanol powered vessels**

Wallenius Wilhelmsen ASA has signed a letter of intent for delivery of four 9,350 car-equivalent unit (CEU) methanol-capable and ammonia-ready vessels and individual options for an additional eight vessels. The four vessels will be delivered from mid-2026 and onwards by Jinling Shipyard in Jiangsu, China. "We are securing our position as our customers' first choice in shipping and delivering on our strategy to provide a net-zero emission free end-to-end service by 2027," said Xavier Leroi, EVP and COO shipping services Wallenius Wilhelmsen.

### **22. MARAD Designates Two New Marine Highway Routes**

While in Alaska, U.S. Transportation Secretary Pete Buttigieg announces the designation of two new Marine Highway Routes, as part of the United States Marine Highway Program (MHP). The newly designated M-11 and the M-79 routes will help speed up the movement of goods, strengthen supply chains, and support local economies in Alaska, Pennsylvania and West Virginia. These designations allow any eligible applicant on these routes to apply for future U.S. Marine Highway Program grants.

### **23. Trans-Atlantic shipping suffers ‘meltdown’ as rates hit new low**

The bigger they come, the harder they fall. The shipping boom in the trans-Atlantic market was one of the world's biggest, and spot rates in this trade have not only plummeted from COVID-era highs, they've sunk below pre-pandemic levels. "It is probably the deepest and fastest decline I have seen in my history [in the business]," said Thorsten Meincke, head of ocean and air freight at German freight forwarder DB Schenker, during an online panel discussion August 15, 2023. According to Peter Sand, chief analyst at freight-rate data provider Xeneta, "This is a major meltdown for a trade that was steady and 'dull' for decades before suddenly becoming the poster boy of the container freight market in 2022, defying gravity with elevated rates for a long time after the rest of the market had crumbled." Israel-based ocean carrier Zim is benefiting from the recent jump in spot rates in the trans-Pacific, but its CFO, Xavier Destriau, stressed that these gains are being offset by falling rates in the trans-Atlantic. "There is intensified pressure in the Atlantic trade lane," warned Destriau on second-quarter earnings call. "It had been extremely resilient up until recently. Today, it is under severe pressure." The trans-Atlantic accounted for 13% of Zim's volumes in the first half.

### **24. Cargill tests 123-foot-tall sails in effort to slash fuel burn**

The world's largest agricultural trader hauls 225 million tons of cargo around the globe each year on hundreds of colossal vessels. Now one of those ships is being powered, in part, by wind. The Pyxis Ocean, an 80,000-ton bulk carrier chartered by commodity giant Cargill Inc., just finished her maiden voyage from Shanghai to Singapore after the

installation of two massive steel and composite-glass “sails.” It’s the first ship to be retrofitted with two WindWings, each 37.5 meters (123 feet) high. They can cut the vessel’s fuel use by roughly a fifth, designer BAR Technologies says. If the trial goes well, Cargill hopes to add sails to as many as 10 more vessels. “It’s going to make the new fuels a lot more affordable,” said Jan Dieleman, president of Cargill’s ocean transportation business. “Wind is there for free.” Wind “is one of these technologies that — even if we switch to zero-carbon fuels in the future — the ship owner, the ship operator, the charterer will see a benefit,” said Santiago Suarez de la Fuente, a ship performance manager at classification society Lloyd’s Register.

#### **25. Imports are up 12% in July at SC Ports**

SC Ports handled 208,134 TEUs and 115,422 pier containers in July 2023. Imports flowing into the Port of Charleston outperformed U.S. volumes with a 12% increase from June and a 3% increase year-over-year. Exports were up 9% from last year. Total container volume was down about 4% year-over-year in July, driven by lower exports of empty containers. “Although overall volumes continue to reflect the tempered U.S. economy, the Southeast is booming and the U.S. East Coast port market continues to attract new cargo,” SC Ports President and CEO Barbara Melvin said. “SC Ports is a powerhouse port on the East Coast with a reputation for providing reliable port service. We quickly work ships and efficiently move cargo for our customers.” While manufacturing and retail remain down in the U.S., the Southeast market is thriving with an influx of new residents and industrial growth. Port-dependent companies are investing in manufacturing facilities, electric vehicle operations and retail distribution centers.

#### **26. Minister of Transport announces Advance Contract Award Notice to acquire an interim replacement for the *MV Holiday Island* ferry**

Last summer, the *MV Holiday Island*, one of two ferries that ensured service between Prince Edward Island and Nova Scotia, was removed from service. On August 23, 2023, the Minister of Transport, the Honourable Pablo Rodriguez, joined by the Right Honourable Prime Minister, Justin Trudeau, the Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland, the Minister of Housing, Infrastructure and Communities, the Honourable Sean Fraser, and the Minister of Agriculture and Agri-Food, the Honourable Lawrence MacAulay, announced the Government of Canada’s intention to purchase the *MV Fanafford* to replace the *MV Holiday Island* in the short-term until its successor is built and ready to enter service. In the longer-term, the Government of Canada will build two new ferries, including the permanent replacement of the *MV Holiday Island*, at Chantier Davie Canada Inc. Design work for the new vessel is already underway, with delivery expected as early as 2028.

#### **27. Panama Canal delays may mean lean Christmas for retailers**

As wholesale inventories dwindle in the U.S., the ongoing restrictions at the Panama Canal could have implications for Christmas stocks and supply chains. With the imminent Christmas shopping season, the delay in inventory restocking due to shipping disruptions and congestion at the Panama Canal could result in missed sales opportunities for businesses. The present disruptions have raised concerns about the ability of businesses to replenish their inventories in a timely manner due to shipping delays. If these disruptions continue, there is a looming threat of shortages for select goods during the critical Christmas shopping period.

#### **28. Port of Los Angeles cargo volume slips in July**

The Port of Los Angeles moved 684,291 Twenty-Foot Equivalent Units (TEUs) in July 2023 as cargo shipments declined compared to last year’s record month. “Global trade has eased as warehouse inventories of retailers and manufacturers remain elevated,” said Port of Los Angeles Executive Director Gene Seroka. “American consumers are continuing to spend and are likely to find more on discounted items this year as we move into fall fashion and year-end holiday season.” July 2023 loaded imports landed at 364,208 TEUs, down 25% compared to the previous year. Loaded exports came in at 110,372 TEUs, an increase of 6% compared to last year. With the need for empty containers in Asia slowing, just 209,710 empty TEUs were processed, a 39% year-over-year decline. Combined, July 2023 volumes were 684,291 TEUs, a 27% year-over-year decline. Seven months into 2023, the Port has processed 4,821,670 TEUs, about 24% less than the same period last year.

#### **29. Port of Halifax celebrates longstanding relationship with Holland America Line**

The Port of Halifax will host a shoreside ceremony on August 28, 2023, to celebrate the longstanding relationship with Holland America Line. The celebration will honour the 150th Anniversary of Holland America Line and 30 years of Holland America Line cruise ship calls at the Port of Halifax. A welcome celebration will feature ceremonial drumming by the Mi’kmaw Native Friendship Centre and a farewell performance by the 78th Highlanders. Following a blessing by Mi’kmaw Elder Charlotte Bernard, a ceremony will be held in front of the Canadian Museum of Immigration at Pier 21 where Halifax Port Authority President and CEO Captain Allan Gray will present Captain Bart Vaartjes of the Holland America Line *Zuiderdam* with a commemorative plaque. Also taking part will be Sam Austin, Deputy Mayor of Halifax, Marie Chapman, CEO of the Canadian Museum of Immigration at Pier 21, and representatives from Discover Halifax, Tourism Nova Scotia, Parks Canada, and the Halifax Citadel Society. “Holland America Line has played an important role in the development of Halifax as a premiere cruise destination over the past three decades,”

said Captain Allan Gray, President and CEO of the Halifax Port Authority. “We are proud to celebrate this milestone with Holland America Line and look forward to building our partnership for many years to come.”

### **30. Panama Canal Authority extends water restrictions**

The Panama Canal Authority (ACP) says it will extend water restrictions for at least another 10 months in an effort to conserve water if rainfall patterns do not vary significantly from projections. Water levels in Gatun Lake, which feeds the canal, are at a four-year low. A canal lock uses 50 million gallons of water when a single vessel traverses the canal. Current restrictions have reduced the number of daily vessel transits from 34-36 a day to 32. Jon Davis, Everstream Analytics’ chief meteorologist, said disruptions in the Panama Canal are increasing on account of the lack of improvement in water levels of the freshwater lakes — especially Gatun Lake — that feed the canal. “The short-term forecast into early September looks problematic,” Davis explained. “A continuation of below-normal rainfall across Panama and well-above-normal temperatures will not improve the situation. Normally at this time of year, lake levels are increasing since it is the core of the wet season.”

## **RAIL TRANSPORTATION**

### **1. Montreal’s \$5 billion rail line starts up in test case for CDPQ**

After years of delays and hundreds of millions of dollars in cost overruns, a Montreal rail system planned, built and largely financed by Canada’s second-largest pension manager is finally rolling. How it performs will determine whether the project was an expensive experiment or the start of a whole new business line for the C\$402 billion (\$304 billion) investment firm. Caisse de Depot et Placement du Quebec undertook the 67-kilometer (42-mile) Réseau Express Métropolitain project in 2015 to link Montreal-Trudeau International Airport and several suburbs to the center of Canada’s second-biggest city. The project ran into unforeseen obstacles, including the Covid pandemic and the discovery of 100-year-old explosives in a tunnel, which pushed the budget from C\$5 billion to more than C\$7 billion (\$5 billion). The first phase of the system, known as the REM, opened on Friday, July 28, 2023, connecting the southern suburb of Brossard to Montreal’s central station. A second phase in the western suburbs will start next year, and the airport station is expected to be ready by 2027. Despite the challenges the project faced, CDPQ Chief Executive Officer Charles Emond praised his firm’s ability to see it through and said the firm is considering similar undertakings around the world.

### **2. Freight Rail Services Price Index, July 2023**

Data for July for the Freight Rail Services Price Index (2018=100) are now available. The index was 120.8 in July 2023 compared to 122.3 in June 2023. A year ago in July, the index was 126.2. For additional details see the Statistics Canada website.

### **3. CPKC Issues 2023-24 Grain Service Outlook Report**

Canadian Pacific Kansas City (CPKC) on July 31 published its Grain Service Outlook Report, as required by section 151.01(1) of the Canada Transportation Act. It provides an assessment of the newly merged Class I’s ability to move grain during the 2023-24 crop year, taking into account the total volume of grain expected to be hauled. Based on current customer forecasts, and subject to demand, CPKC said it plans to supply the capacity required to move 685,000 MT per week when the Port of Thunder Bay is open (generally from August through mid-December, and from April to July). During the winter months when the Port of Thunder Bay is closed, the railroad said it plans to supply the capacity required to move 525,000 MT of Canadian grain and grain products each week, subject to market demand. Given these weekly targets the railroad is slated to supply the capacity required to transport more than 33 MMT of Canadian grain and grain products throughout the crop year, subject to market demand. “This performance target is contingent on all elements of the supply chain, including grain customer terminals, ports and vessels, operating with maximum efficiency, reliability, predictability and balance throughout the duration of the crop year,” CPKC reported. Throughout the 2022-23 crop year, there was “significant demand volatility” for Canadian

## **RAIL TRANSPORTATION**

### **Canada**

1. Montreal’s \$5 billion rail line starts up in test case for CDPQ, July 29, 2023, [www.ajot.com](http://www.ajot.com)
2. Freight Rail Services Price Index, July 2023, July 31, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. CPKC Issues 2023-24 Grain Service Outlook Report, July 31, 2023, [www.railwavage.com](http://www.railwavage.com)
4. 2023-2024 CN Grain Plan Builds on Strong Performance, August 1, 2023, [www.cn.ca](http://www.cn.ca)
5. U.S. Rail Traffic: ‘Reasons for Both Optimism and Caution’, August 2, 2023, [www.railwavage.com](http://www.railwavage.com)
6. BNSF’s Q2 earnings slide 24% on lower freight volumes, August 7, 2023, [www.freightwaves.com](http://www.freightwaves.com)
7. AAR reports rail traffic for the week ending August 5, 2023, August 9, 2023, [www.ajot.com](http://www.ajot.com)
8. Watch: NS 47th Street Intermodal Facility High Frequency Plan, August 10, 2023, [www.railwavage.com](http://www.railwavage.com)
9. AAR reports rail traffic for the week ending August 12, 2023, August 16, 2023, [www.ajot.com](http://www.ajot.com)
10. Montreal Canadiens’ practice facility to be named CN Sports Complex, [www.cn.ca](http://www.cn.ca)
11. Report: Wabtec’s Erie Rail Plant Could Close If New Labor Agreement Is Not Reached (UPDATED), August 17, 2023, [www.railwavage.com](http://www.railwavage.com)
12. RailState: Canadian Railroads ‘Close to Matching Volumes Seen Before B.C. Ports Strike’, August 21, 2023, [www.railwavage.com](http://www.railwavage.com)
13. Railway carloadings, June 2023, August 22, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. AAR: North American Rail Volume Down Through Week 33, August 23, 2023, [www.railwavage.com](http://www.railwavage.com)
15. VIA RAIL invests more than \$80m in its heritage stations, August 24, 2023, [www.viarail.com](http://www.viarail.com)

grain and grain products, according CPKC. “We began the crop year with historically low demand followed by a rapid surge generated by a harvest that came earlier than forecasted by grain customers,” the railroad said. “In response to the early demand surge, CPKC rapidly ramped up capacity, moving an all-time monthly record of 3.14 MMT of grain products in October. We also set a record for the month of January, moving 2.29 MMT of grain products. Weekly records were achieved for weeks 19, 24, 28 and 29.” According to CPKC, demand for grain transportation “fell dramatically in Week 36 (beginning of April), dropping well below customer forecasts and the capacity we had resourced on the railway. Grain transportation demand remained low for the balance of the crop year, even though a significant volume of grain remained in storage on the prairies. This resulted in more than 5 MMT of unused capacity for Canadian grain transportation on the CPKC rail network over the course of the 2022-23 crop year, relative to our supply targets.”

#### **4. 2023-2024 CN Grain Plan Builds on Strong Performance**

CN on August 1, 2023 published its 2023-2024 Grain Plan, [www.cn.ca/grain](http://www.cn.ca/grain) which builds on the operational improvements introduced this crop year. Tracy Robinson, chief executive officer, CN said “We at CN know that Canada’s agricultural industry has always been the cornerstone of our nation’s economy, contributing significantly to its growth and stability. Through the collaborative efforts of CN and our supply chain partners, we aim to optimize the movement of agricultural goods efficiently and sustainably. Together, we can navigate the challenges ahead, capitalize on new opportunities, and ensure the continued success and prosperity of the Canadian agricultural sector.” The new Grain Plan contains several new actions and initiatives for 2023-24 as well as details on ongoing initiatives. These include the delivery of 750 new high-efficiency grain hopper cars in 2024, the expansion of CN’s locomotive modernization program to upgrade older Direct Current locomotives to the newer, more powerful and reliable Alternating Current technology, and a new Precision Dispatch System to help optimize train movement across the network.

#### **5. U.S. Rail Traffic: ‘Reasons for Both Optimism and Caution’**

The three highest-volume intermodal weeks of 2023 were the three July weeks not including Independence Day, AAR Senior Vice President John T. Gray reported on Aug. 2, 2023. Also, while carloads of chemicals rose in July for the first time in nearly a year, the month was “exceptionally weak” for grain carloadings, he noted during the release of the association’s traffic report for July 2023 and the week ending July 29, 2023. “[W]e are cautious to put too much stock in this month’s exact results,” Gray stressed, since July rail volumes are always impacted by July 4 closures, “but there are reasons for both optimism and caution.” In July 2023, nine of the 20 carload commodity categories tracked by AAR (Association of American Railroads) each month saw carload gains compared with July 2022. These included motor vehicles and parts, up 6,437 carloads or 13.1%; crushed stone, sand and gravel, up 6,079 carloads or 7.5%; and primary metal products, up 2,935 carloads or 10.3%. Commodities that saw declines included grain, down 15,585 carloads or 21.0%; coal, down 5,709 carloads or 2.2%; and pulp and paper products, down 1,631 carloads or 9.1%. Canadian railroads reported 88,057 carloads for the week ending July 29, 2023, increasing 3.0%, and 68,604 intermodal units, dropping 15.9% vs. the same week last year. For the first 30 weeks of 2023, they reported cumulative rail traffic volume of 4,723,996 carloads, containers and trailers, dipping 2.8%.

#### **6. BNSF’s Q2 earnings slide 24% on lower freight volumes**

BNSF’s net income for the second quarter of 2023 fell 24% year over year (y/y) from \$1.66 billion to \$1.26 billion. Parent company Berkshire Hathaway [attributed](#) the second-quarter earnings decline primarily to lower overall freight volumes and higher nonfuel operating costs, which were partially offset by lower fuel costs. Total revenues for the western U.S. Class I railroad were nearly \$5.83 billion, down 12% y/y on the lower volumes, although revenue per carload was roughly flat. Breaking down BNSF’s operating segments, volumes for consumer products fell 16% amid lower West Coast imports, the loss of an intermodal customer and competition from lower spot rates in the trucking market, which had impacted domestic intermodal demand, BNSF said. Higher vehicle production did provide some support to BNSF’s consumer products volumes. Revenues for this segment slipped 23% to nearly \$1.9 billion.

#### **7. AAR reports rail traffic for the week ending August 5, 2023**

The Association of American Railroads (AAR) on August 9, 2023 reported U.S. rail traffic for the week ending August 5, 2023. For this week, total U.S. weekly rail traffic was 471,938 carloads and intermodal units, down 3.2 percent compared with the same week last year. Total carloads for the week ending August 5 were 222,199 carloads, down 1 percent compared with the same week in 2022, while U.S. weekly intermodal volume was 249,739 containers and trailers, down 5.2 percent compared to 2022. Five of the 10 carload commodity groups posted an increase compared with the same week in 2022. Canadian railroads reported 89,149 carloads for the week, up 2.9 percent, and 71,762 intermodal units, down 10.9 percent compared with the same week in 2022. For the first 31 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 4,884,907 carloads, containers and trailers, down 2.9 percent.

#### **8. Watch: NS 47th Street Intermodal Facility High Frequency Plan**

In June 2022, Norfolk Southern rolled out the most recent iteration of its Thoroughbred Operating Plan (TOP) called [TOP|SPG](#) (Service, Productivity and Growth). One objective was increasing throughput at the railroad's intermodal facilities by maximizing intermodal unit velocity, capacity and reliability across the entire network, resulting in more consistent service for customers. NS created what it calls a "high frequency plan" originating at its 47th Street Intermodal Facility in Chicago. "Chicago is our single-largest origin point for intermodal volume and a natural location to comingle traffic toward [similar] destinations to achieve greater intermodal unit velocity," NS explained. "We set the network up for all trains to and from the Northeast to originate and terminate at 47th Street. This comingling of traffic to and from [similar] points on our network created greater outlet frequency for our customers while balancing productivity. On-time delivery performance is averaging above 90%. We've seen velocity improve at our facilities as well as quicker turnaround with our customer's containers and trailers in these key lanes. These improvements are vital to our customer-centric, operations-driven service organization."

#### **9. AAR reports rail traffic for the week ending August 12, 2023**

The Association of American Railroads (AAR) on August 16, 2023 reported U.S. rail traffic for the week ending August 12, 2023. For this week, total U.S. weekly rail traffic was 472,498 carloads and intermodal units, down 4.2 percent compared with the same week last year. Total carloads for the week ending August 12 were 224,412 carloads, down 3 percent compared with the same week in 2022, while U.S. weekly intermodal volume was 248,086 containers and trailers, down 5.3 percent compared to 2022. Three of the 10 carload commodity groups posted an increase compared with the same week in 2022. Canadian railroads reported 87,490 carloads for the week, up 1.9 percent, and 70,907 intermodal units, down 14.7 percent compared with the same week in 2022. For the first 32 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 5,043,304 carloads, containers and trailers, down 3 percent.

#### **10. Montreal Canadiens' practice facility to be named CN Sports Complex**

Montreal Canadiens announced August 15, 2023 that the club's training facility in Brossard will now be known as the CN Sports Complex. "We are proud to welcome CN as a partner of the Montreal Canadiens. CN is not only a world leader in transportation, but also an iconic Canadian company which, like the Canadiens, has been based in Montreal for over a century. We are delighted to begin this multi-year partnership with CN and we look forward to working together with them," said Groupe CH president, sports and entertainment, France Margaret Bélanger.

#### **11. Report: Wabtec's Erie Rail Plant Could Close If New Labor Agreement Is Not Reached (UPDATED)**

Manufacturing operations at Wabtec Corp.'s Erie County, Pa., rail plant could end if a new labor agreement is not reached with some 1,400 striking union workers, County Executive Brenton Davis said Aug. 16, according to a *Pittsburgh Post-Gazette* report. Last month, *Railway Age* reported that the 1,400 members of the United Electrical, Radio and Machine Workers of America (UE), Locals 506 and 618, who work for Wabtec in Erie have been on strike since June 22, 2023. According to the *Pittsburgh Post-Gazette* report, Davis said in a statement that he'd recently confirmed that a "major third-party contractor" had visited the facility and that the contractor "manufactures many, if not all, of the locomotive components currently assembled at the Erie plant."

#### **12. RailState: Canadian Railroads 'Close to Matching Volumes Seen Before B.C. Ports Strike'**

In the month since the end of the main strike period at the B.C. Ports, Canadian railroads are "close to matching volumes seen before the strike," reported real-time network visibility provider RailState, which independently tracks all freight movements across Canada. "There has been a significant widespread increase in train volume aimed at clearing backlogs caused by the strike," announced [RailState](#) in its recent report, "[Canadian Rail Network Update – Recovering After the BC Ports Strike.](#)" "We're constantly monitoring volume movements across the rail network in Canada, and it appears that rail traffic is returning to status quo," said RailState Co-Founder and Chief Commercial Officer John Schmitter. "We haven't seen a big increase in volume, and an expectation that the railroads have unused capacity sitting around that can quickly be brought on line to clear what's built up isn't reasonable. The decreased volume seen in July will take a long time to resolve or it is lost for good."

#### **13. Railway carloadings, June 2023**

Canadian railways transported 28.3 million tonnes of freight in June 2023, down 6.9% from June 2022 and the second consecutive month of year-over-year decline. Overall traffic was at its lowest level for the month of June in more than five years. Reduced shipments of iron ores and concentrates, potash, and fuel oils and crude petroleum were the main contributors to the overall decline. Wildfires raging across the country in June may have resulted in some supply chain adjustments. To further explore current and historical data in an interactive format, please visit the "[Monthly Railway Carloadings: Interactive Dashboard.](#)"

#### **14. AAR: North American Rail Volume Down Through Week 33**

For the first 33 weeks of 2023 (ending Aug. 19), total U.S. weekly rail traffic dipped 4.9% from the same point last year, according to the Association of American Railroads' (AAR) Aug. 23 report. Both Canada and the U.S. saw declines, while Mexico saw an increase. North American rail volume for the first 33 weeks of the year (ending Aug.

19) on 12 reporting U.S., Canadian and Mexican railroads came in at 21,354,794 carloads and intermodal units. Cumulative volume in Canada was 5,204,561 carloads, containers and trailers, down 3.0%; in Mexico, 926,401 carloads and intermodal containers and trailers, up 4.9%; and in the U.S., 15,223,832 carloads and intermodal units, down 4.9%. Canadian railroads reported 90,149 carloads for the week, up 3.1%, and 71,108 intermodal units, down 12.6% compared with the same week in 2022. For the first 33 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 5,204,561 carloads, containers and trailers, down 3.0%.

### **15. VIA RAIL invests more than \$80m in its heritage stations**

On August 24, 2023, President and Chief Executive Officer, Mario Pélouquin, and Chairperson of the Board of Directors, Françoise Bertrand, were at Winnipeg Union Station, one of VIA Rail Canada's (VIA Rail) Heritage Stations, to announce investments designed to protect these buildings and ensure they reflect today's standards. VIA Rail is privileged to own Heritage Stations across its network that have played an integral role in Canada's rail history. Between 2020 and 2025, VIA Rail will have invested over \$80M for the renovation of four of its Heritage stations: Winnipeg Union Station, Vancouver Pacific Station, Halifax Station, and Gare du Palais in Québec City.

## **HIGHWAY TRANSPORTATION**

### **1. Couriers and Messengers Services Price Index, June 2023**

The Couriers and Messengers Services Price Index (2019=100) is now available for June. The index was 128 in June 2023 compared to 128.7 in May 2023. A year ago in June, the index was 130.8. For additional details see the Statistics Canada website.

### **2. ELDs become mandatory in BC**

Mandated use of electronic logging devices (ELDs) comes into effect throughout British Columbia on Tuesday, Aug. 1, 2023. ELDs automatically track drivers' time behind the wheel, reducing the likelihood of driving while tired and helping to ensure they stick to the allowable regulation driving time in a day. Commercial motor vehicle drivers will still need to enter some of the information from their record of duty status (like on-duty time related to fueling, loading or unloading), the ELD will automatically record other information like driving time, odometer readings, and engine power-up.

### **3. Blue Water Bridge construction not causing border delays: Federal Bridge Corporation**

The Federal Bridge Corporation (FBC) that owns, manages and operates the Blue Water Bridge is countering suggestions that ongoing rehabilitation work is responsible for border delays and reported traffic concerns in neighboring areas. Senior communications specialist Alexandre Gauthier says traffic and wait times at the span — which connects Point Edward, Ont. to Port Huron, Mich. — are similar to those that existed before the project started on July 5. Traffic is reduced to a single lane in either direction as the project continues. But Mike Bradley, mayor of neighboring Sarnia, says it is “a real stretch to suggest this [construction] doesn't have an impact.” “The amazing coincidence between the bridge work and traffic backups is severe enough to bring in the OPP and Sarnia Police to enforce the rules,” Bradley said. “Traffic is not backed up on the bridge all the way to the toll gates. It shows that traffic is not backed up because of the lane reduction,” Gauthier said.

### **4. Air Brake Online Learning Module Kicks in Sept 1 – Details**

The Ministry of Transportation is reminding industry that as of September 1, 2023, the air brake knowledge test will no longer be available for renewal purposes. Drivers who wish to renew their air brake endorsement will instead be required to complete the online learning module prior to renewing their driver's licence.

## **HIGHWAY TRANSPORTATION**

### **Canada**

1. Couriers and Messengers Services Price Index, June 2023, July 31, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
2. ELDs become mandatory in BC, August 1, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
3. Blue Water Bridge construction not causing border delays: Federal Bridge Corporation, August 1, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
4. Air Brake Online Learning Module Kicks in Sept 1 – Details, August 3, 2023, [www.ontruck.ca](http://www.ontruck.ca)
5. TFI acquires truck transporter JHT Holdings, August 7, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
6. Yellow Corp. files for bankruptcy protection, blames Teamsters, August 7, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
7. CTA: New Fed Pilot a Good Start, But More Needed to Protect Workers in Trucking, August 9, 2023, [www.ontruck.com](http://www.ontruck.com)
8. Ontario Launching Credit and Debit Payment on TTC, August 10, 2023, [www.ont.gov.on](http://www.ont.gov.on)
9. U.S. Department of Transportation Sends \$10 Million in 'Quick Release' Emergency Relief Funding to Vermont to Repair Statewide Flood Damage, August 11, 2023, [www.dot.gov](http://www.dot.gov)
10. Jagger Canada to pay \$30K for failing to clean up oil, diesel, August 15, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Trucking job vacancies continue to increase, August 16, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
12. Economic Trucking Trends: Flatdeckers weigh on spot market rates, private fleets adding trucks, August 18, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
13. Urban public transit, June 2023, August 18, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. Bankrupt Yellow gets \$1.3 billion bid from rival Estes, August 17, 2023, [www.ajot.com](http://www.ajot.com)
15. Teamsters overwhelmingly ratify UPS contract, Aug. 22, 2023, [www.freightwaves.com](http://www.freightwaves.com)
16. Kodiak sets up autonomous truck hub at Georgia Pilot, August 22, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
17. ATA Truck Tonnage Index decreased 0.8% in July, August 22, 2023, [www.ajot.com](http://www.ajot.com)
18. North American Transborder Freight down 4.6% in June 2023 from June 2022, August 23, 2023, [www.bts.gov](http://www.bts.gov)

## 5. TFI acquires truck transporter JHT Holdings

TFI International has acquired JHT Holdings, a Wisconsin-based company that transports finished Classes 6-8 trucks to dealers and end customers. The company was founded in 1933 and works for truck manufacturers using an asset-light model involving driver the customers' new trucks to their destination. The company owns a large pool of patented decking equipment. It runs 25 terminals, eight of which are owned, in Canada and the U.S., and generates annual revenues of more than \$500 million.

## 6. Yellow Corp. files for bankruptcy protection, blames Teamsters

Yellow Corp. on August 6, 2023 filed its much anticipated petitions for relief under Chapter 11 bankruptcy protection, blaming the Teamsters union for its demise. The company will wind down operations and has signed a debtor-in-possession financing facility to provide the liquidity needed to support the business through the bankruptcy. "It is with profound disappointment that Yellow announces that it is closing after nearly 100 years in business," said Yellow's

CEO, Darren Hawkins. "Today, it is not common for someone to work at one company for 20, 30, or even 40 years, yet many at Yellow did. For generations, Yellow provided hundreds of thousands of Americans with solid, good-paying jobs and fulfilling careers." The company employed about 30,000 people, about 22,000 of whom were Teamsters.

## 7. CTA: New Fed Pilot a Good Start, But More Needed to Protect Workers in Trucking

The Canadian Trucking Alliance (CTA) lauded an announcement this week to establish a Recognized Employer Pilot (REP) aimed at addressing labour shortages and protecting employees such as Temporary Foreign Workers (TFW) from workplace abuse. However, the Alliance urges Ottawa to do more – and demands the Government of Canada to specifically crack down on employers in the trucking sector who operate under the corrosive scheme known as Driver Inc., which robs truck drivers of their rights under the Labour Code. The three-year pilot, announced by Randy Boissonnault, the newly-named Minister of Employment, Workforce Development and Official Languages, is set to begin this September 2023.

## 8. Ontario Launching Credit and Debit Payment on TTC

The Ontario government is making it easier to take transit by giving riders more ways to pay on the Toronto Transit Commission (TTC). Starting Tuesday, August 15, riders can use credit or debit cards to pay fares, including cards on a smartphone or smartwatch. "The launch of credit and debit payment on the TTC is just another way our government is making life easier for people across the Greater Toronto Area," said Stan Cho, Associate Minister of Transportation. "Whether travelling for work, appointments, or anything in between, the transit experience should be as convenient as possible."

## 9. U.S. Department of Transportation Sends \$10 Million in 'Quick Release' Emergency Relief Funding to Vermont to Repair Statewide Flood Damage

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on August 11, 2023 announced the immediate availability of \$10 million in "quick release" Emergency Relief (ER) funds for use as a down payment by the Vermont Agency of Transportation (VTrans). The funding is designed to help offset costs to repair infrastructure damaged by last month's flooding throughout the state.

## 10. Jagger Canada to pay \$30K for failing to clean up oil, diesel

Jagger Canada has been fined \$30,000 for failing to clean up engine oil and diesel after its truck was involved in a collision near Marathon, Ont., on Nov. 18, 2019. The Ontario Ministry of Environment, Conservation and Parks' Spills Action Centre reported fuel on highway pavement, and oil and fuel amid the rocks and snow on the highway embankment, after it visited the accident scene, according to a provincial government notice. All of that was about 15 meters from a running stream. A month later, on Dec. 17, 2019 ministry staff sent an email to the company noting it had failed to clean up the site and was responsible for remediation. An order to hire a qualified contractor for the cleanup was issued Dec. 20, along with a need to provide a written report by Jan. 11, 2020. The company didn't comply with the order by the deadline. Jagger's insurance provider indicated the site was restored Oct. 30, 2020. The company was convicted of three charges on June 7, 2023.

## 11. Trucking job vacancies continue to increase

Canadian trucking jobs continue to go unfilled, according to the latest data in Trucking HR Canada's Q1 vacancy report. The vacancy rate for both the truck transportation sector and transport truck driver occupation increased compared to the previous quarter. Though vacancies increased, the total demand for workers in the sector decreased between Q4 2022 and the first quarter of this year. "Although we have seen a cooling within the Canadian economy, we have not seen a corresponding dampening of vacancies for truck drivers," says Craig Faucette, chief programs

19. Kenworth Truck Centres officially opens Mississauga-North facility, August 23, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)

20. Cross-Border Truck Trade Value Rises, August 24, 2023, [www.ontruck.ca](http://www.ontruck.ca)

21. Trimac acquires U.S. fleet Doyle Sims & Sons Trucking, August 24, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)

22. NDP Tax Fairness Critic Calls on CRA Minister to Deal with Driver Inc. August 23, 2023, [www.ontruck.ca](http://www.ontruck.ca)

23. Trucking groups cite Ontario speed limiter success in bid for U.S. mandate, August 28, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)

24. CTA: Technical Briefing on New Recognized Employer Pilot (REP) Under Temporary Foreign Worker (TFW) Program, August 28, 2023, [www.ontruck.ca](http://www.ontruck.ca)



officer at THRC. “With the expectation that vacancies will continue to rise over the next quarter, this will continue to put pressure on employers to meet their employment needs.” Based on data for April and May, labor shortages will likely accelerate throughout 2023, Trucking HR Canada anticipates.

#### **12. Economic Trucking Trends: Flatdeckers weigh on spot market rates, private fleets adding trucks**

It appears the summer doldrums are in full effect. The spot market remains sluggish, with flatdeckers feeling the most pain in recent weeks. Trailer orders ticked upward slightly in July 2023, and the Class 8 backlog continues to be chewed through. There’s also evidence that while for-hire fleets are trimming their truck counts in this tough market, private fleets are adding equipment and pulling freight back into their own networks. Loadlink Technologies reported an expected seasonal decline in both load and truck postings in July 2023. Both freight and truck volumes declined about 20% from June levels, Loadlink reports, aligning with seasonal expectations. However, cross-border loads dropped to 58% of total postings, down from 65% in June. This shift resulted from a decrease of 42% in inbound loads coming to Canada from the U.S.

#### **13. Urban public transit, June 2023**

In June 2023, Canada’s urban transit systems logged almost 120 million passenger trips, a milestone only approached three times since the onset of the COVID-19 pandemic in March 2020. In June 2023, ridership reached 78.8% of the pre-pandemic level from the same month in 2019. In June 2023, transit agency operating revenues (excluding subsidies) totalled \$287.9 million—an increase of 24.3%, or \$56.3 million, from June 2022, but still \$43.2 million lower than in June 2019, before the pandemic.

#### **14. Bankrupt Yellow gets \$1.3 billion bid from rival Estes**

Trucking firm Estes Express Lines has struck a \$1.3 billion deal to acquire all of Yellow Corp.’s terminals out of bankruptcy, an offer that’s subject to higher bids should any materialize in the coming weeks. Yellow also struck an agreement in principle on the terms of a bankruptcy loan with Ken Griffin’s Citadel and hedge fund MFN Partners LP, the company’s largest shareholder. Citadel is offering to extend Yellow \$100 million and MFN is offering to provide the company \$42.5 million to fund the trucking firm’s liquidation, Smith said. MFN Partners could extend an additional \$70 million if Yellow needs additional cash in the future, she said. The new bankruptcy loan came together in recent days after Citadel acquired roughly \$485 million in Yellow Corp. debt previously owned by Apollo Global Management Inc. and other senior lenders. Apollo and other lenders offered to fund the liquidation but the alternative financing provided by Citadel and MFN Partners will be less expensive, Smith said.

#### **15. Teamsters overwhelmingly ratify UPS contract**

The Teamsters union rank and file working at UPS Inc. have overwhelmingly ratified a five-year contract, the Teamsters announced on August 22, 2023 afternoon. According to the Teamsters, 86.3% of voters ratified the contract, the largest margin in the long history of collective bargaining agreements between the two sides. It is unclear how many of the 340,000 unionized UPS workers cast ballots. All 44 supplemental agreements were ratified, except for a supplement covering 174 members in Florida. The national, or “master,” agreement will go into effect once the supplement is renegotiated and ratified, the Teamsters said. Each supplement covers specific regions of the country and is tailored to the needs of Teamsters members in the respective regions. UPS and the Teamsters agreed on July 25 to a tentative five-year contract that calls for a \$2.75-an-hour wage increase in the first year for full- and part-time workers, smaller increases in years two through four, and another bump, albeit not as big as in year one, during the fifth and final year. The contract was then unanimously endorsed by officials of 162 Teamsters locals representing UPS workers.

#### **16. Kodiak sets up autonomous truck hub at Georgia Pilot**

Pilot is working with autonomous truck maker Kodiak Robotics to establish the first ‘truckport’ at a truck stop in Villa Rica, Ga., which will serve as a launching and landing hub for autonomous trucks. This model will be rolled out to support Kodiak’s 18,000-mile (29,000-km) autonomous deployment network, the companies announced. “Partnering with Pilot Company to build the Villa Rica truckport ensures that we have access to the truckport services we need, utilizing Pilot’s industry-leading travel center network,” said Don Burnette, founder and CEO of Kodiak Robotics. “This partnership, combined with Kodiak’s flexible technology stack, enables our scalable, asset-light approach to building our truckport network. The freight lane between Dallas and Atlanta is critical to the nation’s supply chain and economy, and this truckport enables us to refine our operations model as we continue to grow.” The Villa Rica Pilot will serve as an eastern satellite hub for Kodiak’s network, joining its Dallas-Fort Worth main hub. The company says the model is scalable and has lean infrastructure requirements. The sites will also allow refueling, light maintenance and trip inspections, including ‘enhanced inspections’ required for self-driving trucks.

#### **17. ATA Truck Tonnage Index decreased 0.8% in July**

American Trucking Associations’ advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index decreased 0.8% in July 2023 after falling 0.3% in June 2023. In July 2023 the index equaled 112.9 (2015=100) compared with 113.8 in June. “Headwinds for freight remained in July, pushing the truck tonnage index lower,” said ATA Chief Economist Bob Costello. “As has been the case for several months, a multitude of factors have caused a recession in freight,

including sluggish spending on goods by households as consumers traveled more and went to concerts this summer. Less home construction, falling factory output and shippers consolidating freight into fewer shipments compared with the frenzy during the goods buying spree at the height of the pandemic are also significant drags on tonnage.” June’s increase was revised lower from our July 18 press release. Compared with July 2022, the SA index fell 3%, which was the fifth straight year-over-year decrease. In June, the index was down 3.2% from a year earlier.

#### **18. North American Transborder Freight down 4.6% in June 2023 from June 2022**

Transborder freight between the U.S. and North American countries Canada and Mexico for June 2022 was as follows: 1. Total transborder freight: \$134.8 billion moved by all modes of transportation, down 4.6% compared to June 2022; 2. Freight between the U.S. and Canada totaled \$66.3 billion, down 9.6% from June 2022; 3. Freight between the U.S. and Mexico totalled \$68.5 billion, up 0.9% from June 2022; 4. Trucks moved \$88.5 billion of freight, up 6.1% compared to June 2022; 5. Railways moved \$17.0 billion of freight, down 9.7% compared to June 2022; 6. Vessels moved \$10.3 billion of freight, down 22.6% compared to June 2022; 7. Pipelines moved \$8.1 billion of freight, down 45.4% compared to June 2022; 8. Air moved \$4.8 billion of freight, down 2.0% compared to June 2022; 9. Multiple modes declined due to 38.8% decrease in value of oil and energy commodities. US-Canada trade was as follows: 1. Truck: \$39.5b; 2. Rail: \$9.2b; 3. Pipeline:\$7.6; 4. Vessel: \$3.2b; 5. Air:\$2.9b.

#### **19. Kenworth Truck Centres officially opens Mississauga-North facility**

Kenworth Truck Centres officially threw the doors open at its 10<sup>th</sup> location – Kenworth Mississauga-North – with a grand opening Aug. 23, 2023. The Ontario facility, open since April 2022, has a well-stocked parts area and seven bays where 11 mechanics work in two shifts from Monday to Friday, said branch manager Alex Tarola. Tarola is hopeful that truck sales will commence next year as the OEM allocates equipment to the dealership and the present team of 20 employees grows to include sales personnel. An electric charger has been delivered for installation and Tarola said plans are underway to begin working on electric trucks in the next six to eight months. One of the bays will be modified to service electric vehicles (EVs).

#### **20. Cross-Border Truck Trade Value Rises**

Nearly US\$40 billion (\$39.5 billion) of trade was transported by truck between Canada and the U.S. in June 2023, according to the U.S. Department of Transportation. Overall, trucks moved \$88.5 billion in cross-border freight between Canada, the U.S. and Mexico – up 6.1% over the same month last year. Detroit, Port Huron, and Buffalo were the busiest US-Canada land ports – representing \$10.8 billion, \$7.2 billion, and \$6.8 billion in goods. The top commodities hauled by trucks between Canada and the U.S. were computers and parts (\$6.6 billion), vehicles and parts (\$6.4 billion), and electrical machinery (\$2.6 billion).

#### **21. Trimac acquires U.S. fleet Doyle Sims & Sons Trucking**

Trimac has made its fourth acquisition this year, buying Doyle Sims & Sons Trucking in Gleason, Tenn. The company, founded in 1949, runs primarily in the south, southeastern and midwestern parts of the U.S., transporting non-hazardous and non-food grade products in pneumatic, liquid, dump, and hopper trailers. Commodities it hauls include clay, sand and non-hazmat oils. It also runs a brokerage under the name DSS Logistics. “In acquiring Doyle Sims & Sons Trucking, we are not just adding another company to our portfolio; we are integrating three quarters of a century’s worth of experience, knowledge, and legacy into the Trimac family,” said Trimac president and CEO, Matt Faure. The acquisition adds 111 trucks, 118 trailers and 95 employees to Trimac’s fleet. It averages 8 million miles and more than 18,000 loads a year. Its headquarters has two shop bays, a wash bay and administrative office.

#### **22. NDP Tax Fairness Critic Calls on CRA Minister to Deal with Driver Inc**

Canada’s New Democrats have echoed CTA’s call for CRA to enforce an action plan to end Driver Inc. In a letter to National Revenue Minister Bibeau, MP Niki Ashton (Churchill-Keewatinook Aski), NDP Critic for Tax Fairness and Inequality, highlighted the issue of Driver Inc and the government’s need to address the matter. “It’s not lost on us in the NDP how much the Liberal government looks the other way when large corporations mischaracterize their workers to get out of paying fair wages, benefits and taxes,” she wrote. “This is all too common in many industries, including in the trucking industry where your department promised to release a strategy to crack down on this exploitation and support workers taken advantage by the ‘Drivers Inc’ scam but have failed to do so.”

#### **23. Trucking groups cite Ontario speed limiter success in bid for U.S. mandate**

Several trucking associations are voicing their support for a proposed truck speed limiter mandate in the U.S. as legislators attempt to block such rules. They’re even using Ontario data to help make their point. Research cited by the trucking groups includes 2018 Ontario Ministry of Transportation data that shows the number of truck drivers found at fault for speeding in a collision dropped 72.7% after that province mandated speed limiters. As well, there was no change in the share of large trucks struck from behind. The findings were limited to highways with posted 100 km/h speed limits, and researchers also noted several large fleets were already limiting speeds before the mandate was introduced. Most trucks operating in Ontario and Quebec have had to mechanically govern speeds at 105 km/h since 2009, and similar legislation has been proposed in B.C.

## 24. CTA: Technical Briefing on New Recognized Employer Pilot (REP) Under Temporary Foreign Worker (TFW) Program

The [Federal Government](#) announced the [Recognized Employer Pilot](#) (REP) under the Temporary Foreign Worker (TFW) Program earlier this month. The REP is a three-year initiative intended to help address labour shortages and reduce the administrative burden for repeat employers participating in the program who demonstrate a history of complying with program requirements. Since that time, the Canadian Trucking Alliance (CTA) and the Ontario Trucking Association (OTA) have worked with Employment and Social Development Canada (ESDC) to help employers understand the new initiative. Based on this interest, bilingual REP technical briefings are being organized in key sectors, such as trucking, to give interested companies a chance to hear more about the program.

## GENERAL TRANSPORTATION

### Canada

#### 1. Biden-Harris Administration Announces \$102.3 Million in Disaster Relief Funding for Transit Agencies Nationwide

On, July 31, 2023, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced \$102.3 million in funding to 17 transit agencies, cities, and planning councils in eight states and territories to help recover from recent natural disasters. The funding, provided through FTA's Public Transportation Emergency Relief (ER) Program, will help them repair damaged equipment and facilities and recoup costs for evacuation and rescue operations following floods, hurricanes, and tornadoes that occurred in 2017 and 2020-22. "As climate change accelerates, we are seeing floods, hurricanes, and wildfires that used to be once-in-a-century events coming every few months and causing greater damage to our lives, communities, and infrastructure," said U.S. Transportation Secretary Pete Buttigieg.

#### 2. U.S.-based ground transportation revenue, margins back to pre-pandemic levels: Andlauer

Andlauer Healthcare Group secured a "solid" \$157.4 million in revenue in the second quarter of 2023, but that was still down 7.1% compared to the same period a year ago. And the business believes U.S.-based ground transportation revenue and margins have returned to pre-pandemic levels. Stronger quarterly results a year ago were buoyed by U.S. truckload rate premiums, higher revenues from Covid-19 vaccines and ancillary products, unusually high air freight forwarding volumes, and higher fuel surcharges, CEO Michael Andlauer said in a press release. Covid-19 vaccines and products accounted for 0.8% of consolidated revenue, compared to 2.6% in the second quarter of 2022.

"Despite the lack of these tailwinds, our consolidated revenue for the first half of this year is higher than the same period a year ago and our EBITDA margins for the quarter and year-to-date remain within our pre-pandemic historical range. We continue to pursue acquisitions to further expand our platform and drive incremental growth," Andlauer said. The company's specialized transportation services in Canada include ground transportation, dedicated delivery and last mile services, and air freight forwarding. Recent fleet acquisitions have included Skelton Truck Lines, and Boyle Transportation.

#### 3. Opinion: We need a minister of competition to boost Canadians' incomes

The Liberal government's 23-move cabinet shuffle last week missed out on one sensible extra move. As a major review of Canada's competition policy continues, it's a good time to highlight competition's crucial importance in the economy by giving it its very own minister. An effective and dedicated competition minister might actually raise Canadians' incomes by thousands of dollars a year.

## GENERAL TRANSPORTATION

### Canada

1. Biden-Harris Administration Announces \$102.3 Million in Disaster Relief Funding for Transit Agencies Nationwide, July 31, 2023, [www.dot.gov](http://www.dot.gov)
2. U.S.-based ground transportation revenue, margins back to pre-pandemic levels: Andlauer, August 3, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
3. Opinion: We need a minister of competition to boost Canadians' incomes, August 3, 2023, [www.financialpost.ca](http://www.financialpost.ca)
4. Canadian international merchandise trade, June 2023, August 8, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
5. June 2023 Freight Transportation Services Index (TSI) Up 1.6% from the Previous Month and Down 0.9% from the Same Month Last Year, August 9, 2023, [www.bts.gov](http://www.bts.gov)
6. Leading indicator of international arrivals to Canada, July 2023, August 14, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
7. Circular economy: New law on more sustainable, circular and safe batteries enters into force, August 17, 2023, [www.europ.eu](http://www.europ.eu)
8. TIRF research connects eco-friendly driving and safety, August 16, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
9. U.S. Department of Transportation Providing Hawaii \$3 Million in 'Quick Release' Emergency Relief Funding for Traffic Management and Repairs to Infrastructure Damaged by Wildfires in Lahaina, August 21, 2023, [www.dot.gov](http://www.dot.gov)
10. Travel between Canada and other countries, June 2023, August 23, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
11. Warehouse automation set for steady growth in China, report says, August 24, 2023, [www.insidelogistics.com](http://www.insidelogistics.com)
12. Surprise dangerous goods, hazmat blitz nets 482 violations in Canada, August 24, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
13. National Travel Survey, first quarter 2023, August 25, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
14. Visitor Travel Survey, first quarter 2023, August 25, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
15. Global trade in goods sees Q2 turnaround, August 25, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
16. CBSA updating 'legacy' collection system, to simplify electronic payments, August 28, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)

#### **4. Canadian international merchandise trade, June 2023**

In June 2023, Canada's merchandise exports decreased 2.2%, while imports were down 0.5%. As a result, Canada's merchandise trade deficit with the world widened from \$2.7 billion in May 2023 to \$3.7 billion in June 2023. Following a 3.0% decrease in May, total exports were down 2.2% in June, with 9 of the 11 product sections posting declines. Total exports in real (or volume) terms fell 1.1% in June. As for export prices, they declined for the 11th time in the past 12 months. From June 2022 to June 2023, total export prices decreased 14.2%. However, during the same period, the value of total exports declined 12.3%, meaning that exports in real terms in fact increased.

#### **5. June 2023 Freight Transportation Services Index (TSI) Up 1.6% from the Previous Month and Down 0.9% 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, rose 1.6% in June 2023 from May 2023, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From June 2023 to June 2022 the index fell -0.9%.

#### **6. Leading indicator of international arrivals to Canada, July 2023**

In July 2023, the number of international arrivals to Canada, including non-resident trips and returning Canadian-resident trips, increased relative to July 2022. However, the number of arrivals has not yet reached the levels recorded in July 2019, prior to the COVID-19 pandemic. The number of non-resident arrivals at Canadian airports equipped with electronic sensors reached 1.3 million in July 2023, up 28.0% from July 2022. Additionally, the number of Canadian-resident return trips from visiting abroad amounted to 1.3 million, up 18.3% from July 2022. In July 2023, US-resident trips to Canada through land ports with electronic sensors totalled 1.8 million, up 47.0% from the same period the previous year. Furthermore, the number of Canadian-resident return trips from the United States via the same land ports increased by 44.0% to reach 2.6 million trips in July 2023.

#### **7. Circular economy: New law on more sustainable, circular and safe batteries enters into force**

A new law to ensure that batteries are collected, reused and recycled in Europe is entering into force today. The new [Batteries Regulation](#) will ensure that, in the future, batteries have a low carbon footprint, use minimal harmful substances, need less raw materials from non-EU countries, and are collected, reused and recycled to a high degree in Europe. This will support the shift to a circular economy, increase security of supply for raw materials and energy, and enhance the EU's strategic autonomy. In line with the circularity ambitions of the [European Green Deal](#), the Batteries Regulation is the first piece of European legislation taking a full life-cycle approach in which sourcing, manufacturing, use and recycling are addressed and enshrined in a single law.

#### **8. TIRF research connects eco-friendly driving and safety**

"Slow and steady" are said to win the race, but research by the Traffic Injury Research Foundation (TIRF) has also quantified several links between eco-friendly driving techniques and safety. Working with Sutco Transportation Specialists, J&R Hall Transport, Kriska Transportation and a fourth unnamed fleet in 2022, TIRF analyzed fuel-saving practices such as the time using cruise control, vehicle speeds, hard braking events, hard turns, and collisions. The more time drivers spent in their top gear when capped at 101 km/h while in cruise control, or at 105 km/h with their own foot on the throttle, the lower the risk of near-hit events. "Our hypothesis was, if the fleet drivers follow all of those fuel-efficient techniques, it can positively improve the safety of them and other road users," TIRF research associate Milad Delavary says. And the study results proved the assumptions were correct.

#### **9. U.S. Department of Transportation Providing Hawaii \$3 Million in 'Quick Release' Emergency Relief Funding for Traffic Management and Repairs to Infrastructure Damaged by Wildfires in Lahaina**

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on August 21, 2023 announced the immediate availability of \$3 million in "quick release" (QR) Emergency Relief (ER) funds, the current total QR requested by the Hawaii Department of Transportation (HDOT), to offset costs associated with traffic management services and repairs to infrastructure needed as a result of damage caused by wildfires in Lahaina on the island of Maui earlier this month.

#### **10. Travel between Canada and other countries, June 2023**

In June 2023, the number of non-resident visitors to Canada and returning Canadian residents accounted for 83.0% of the number observed in June 2019, before the COVID-19 pandemic. Residents of overseas countries took 699,900 trips to Canada in June 2023, and US residents took 2.6 million trips. At the same time, Canadian residents returned from 3.4 million trips abroad. Vacations by cruise remained popular, as Canadian residents took 21,000 cruise trips. To further explore current and historical data in an interactive format, please visit the [Frontier Counts: Interactive Dashboard](#).

#### **11. Warehouse automation set for steady growth in China, report says**

The Chinese warehouse automation market has fared well over the past five years, maintaining a market growth rate of around 16 percent, with steady expansion expected over the next five years. Behind the US, China is the largest single

market for warehouse automation. China has more warehouses than the US, Canada, and Mexico combined, and its labour costs are increasing as China's workforce is becoming more skilled. Despite the impact of the pandemic on the Chinese economy, warehouse automation experienced significant growth in sectors such as general merchandise, durable manufacturing and parcel. Overall, the mobile warehouse automation market has grown at a faster pace in China than fixed warehouse automation.

#### **12. Surprise dangerous goods, hazmat blitz nets 482 violations in Canada**

Commercial vehicle inspectors in Canada wrote up 482 violations during a surprise blitz that focused on vehicles transporting hazardous materials and dangerous goods (HM/DG) from June 12-16, 2023. The Commercial Vehicle Safety Alliance (CVSA) says 1,449 vehicles and 1,673 dangerous goods packages were inspected during the five days and 163 out-of-service (OOS) violations were issued. In the U.S., 6,123 vehicles and 6,722 hazmat packages were inspected. Inspectors identified 2,096 hazmat violations, of which 538 were out-of-service violations. The Top 3 violations in Canada included problems with shipping papers (165 violations), Transportation of Dangerous Goods Training Certificates (96), and large means of containment packaging violations (78). In the U.S., the Top 3 violations included shipping papers (462), non-bulk packaging (452), and bulk packaging (403). During last year's blitz, inspectors handed out 1,774 violations. The CVSA said 6,204 vehicles were inspected, along with 6,668 packages.

#### **13. National Travel Survey, first quarter 2023**

During the first quarter of 2023, Canadian residents took 66.5 million trips, 20.0 million more than in the same quarter of 2022. While most of the trips (87.6%) in the first quarter of 2023 were domestic, travel expenditures for those trips (\$13.7 billion) represented just over half (52.5%) of all travel expenditures. Meanwhile, travel expenditures made by Canadian residents in the United States and overseas during the first quarter reached \$12.3 billion.

#### **14. Visitor Travel Survey, first quarter 2023**

Spending in Canada by international travellers totalled \$2.7 billion in the first quarter, more than double the amount from the same quarter of 2022 (\$1.2 billion), when the Government of Canada and the provinces and territories still had some travel restrictions in place due to the Omicron variant. Total spending from visitors reached 83.2% of the \$3.2 billion spent in the same quarter in 2019, before the COVID-19 pandemic. During the first quarter of 2023, most restrictions on travel to Canada were no longer in place. As of January 5, 2023, the Government of Canada implemented the requirement of a negative COVID-19 test for travellers aged 2 years and older arriving from China, Hong Kong or Macao. This restriction remained in place until March 17, 2023. In the first quarter of 2023, US residents spent \$1.3 billion while travelling in Canada, up from the \$535.3 million spent during the same quarter in 2022. Spending by US residents in the first quarter of 2023 was concentrated in Ontario, British Columbia, Quebec and Alberta, together accounting for 94.3% of expenditures by US residents. Major expenses for US travellers included accommodation (\$504.7 million), food and beverages (\$410.3 million) and transportation within Canada (\$174.8 million), together accounting for 83.5% of all US visitor expenditures.

#### **15. Global trade in goods sees Q2 turnaround**

Global goods trade showed signs of a turnaround in the second quarter of 2023, driven by strong automobile production and sales, but further upward momentum in Q3 and beyond may be limited as long as export orders remain weak, according to the latest WTO Goods Trade Barometer issued on 24 August. The current reading of 99.1 for the barometer index is up from the previous reading of 95.6 from last May and close to the baseline value of 100. This suggests that merchandise trade volume turned up in Q2 after two quarters of decline, but that it remains slightly below trend. Sustained recovery in Q3 and beyond is less than certain as long as the barometer's export orders component (based on purchasing managers' indices) remains weak.

#### **16. CBSA updating 'legacy' collection system, to simplify electronic payments**

Every year, the Canada Border Services Agency (CBSA) collects \$30 billion in duties and taxes on goods imported into the country — trade valued at \$750 billion, much of which is transported by truck. However, the CBSA notes that its 35-year-old collection system is aging, and even describes it as "legacy" in a recent press release. The agency intends to modernize the system by replacing it with Canada Border Services Agency Assessment and Revenue Management (CBSA CARM), which will offer simplified electronic payment methods. All partners in the supply chain, including trucking companies, are affected by this changeover, which is officially scheduled to come into effect in May 2024. Importers, customs brokers, freight forwarders, bonded warehouse operators, and others involved in importing goods will also have to register and create an account.