

Transportation Information Update*

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AIR TRANSPORTATION

1. Aircraft movement statistics: Major and select small airports, July 2023

In July 2023, aircraft movements at Canada's major and select small airports totalled 550,205, roughly the same number as in July 2022, but 14.9% lower than in July 2019, before the COVID-19 pandemic. Thunder Bay (+3,208 movements; +41.2%) and Kamloops (+2,735; +80.1%) reported the largest year-over-year increases in July 2023.

2. Setting up diversity for sustainable success

Diversity took a step forward when Poppy Khoza, the Director of Civil Aviation at the South African Civil Aviation Authority (SACAA), was unanimously elected by the ICAO Member States to serve as President for the 41st ICAO Assembly—the first woman to hold that role in ICAO's 78-year history. Unfortunately, the Rules of assembly referred to "he" and Khoza was at some points addressed as "Mr President." "We've come a long way but there is still so much more to do," says Khoza, who won the Inspirational Role Model award at IATA's 2023 Diversity & Inclusion Awards. Khoza believes diversity's progress in recent years gives cause for optimism for the future. She points to her position as the Director / CEO of the SACAA, which wouldn't have been possible a generation ago, and the fact that gender equality and inclusion are being discussed around the world. "We are pressing the right buttons," she says. "We have a good platform and young women are joining aviation because of the advances we have made. And as they get more and more involved, the voices are getting louder and stronger. But I think we must question the pace of progress because we can, and must, move faster." Khoza agrees with setting ambitious targets and acknowledging milestones on the way so that any advances are properly measured. Already, at the SACAA, 51% of employees are female, as is 50% of the Executive Committee. On the Board of Directors, women occupy 60% of the seats.

3. The Canadian Transportation Agency issues administrative monetary penalties to American Airlines for violations of the Air Passenger Protection Regulations

On September 28, 2023, enforcement officers of the Canadian Transportation Agency (CTA) have issued administrative monetary penalties totaling \$64,500 (\$51,000 and \$13,500) against American Airlines for various violations of the Air Passenger Protection Regulations (APPR) related to its obligations around flight delays and cancellations. These penalties are for incidents that occurred in March 2023 and July 2023.

4. United Airlines pilots approve costliest US contract worth \$10.2 billion

United Airlines Holdings Inc. pilots approved a new four-year contract that is the costliest ever for a US carrier, providing a cumulative increase in total compensation of as much as 40.2% over the life of the agreement. The contract, with \$10.2 billion in value over the four-year term, leaves Southwest Airlines Co. alone among the four biggest US carriers without a new post-pandemic pilot accord. The United agreement was approved by 82% of those

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voting, the Air Line Pilots Association said Friday, September 28, 2023. More than 97% of all United aviators cast ballots. United rose much as 1.6% after the news. Shares pared gains to fall 0.5% to \$42.10 at 1:24 p.m. in New York. United pilots join counterparts at Delta Air Lines Inc. and American Airlines Group Inc. in using an industrywide shortage of aviators as leverage to secure their first post-pandemic contracts with not only notable pay raises, but multiple changes to improve scheduling and work-life balance. The new United contract includes \$1.7 billion in new policies that affect quality of life, such as increased profit sharing and improved pay during training, the union said.

5. Air Canada Offers its Global Customers for the First Time In-Flight Audible Original Audiobooks and Podcasts

Air Canada on October 3, 2023 became the first airline to offer Canadian Audible Original Audiobooks and Podcasts and more in its in-flight entertainment (IFE) system, further expanding its award-winning product offering. Through premium and dynamic audio storytelling, Audible provides Air Canada's customers immersive, relaxing entertainment during their travel journey onboard. The collaboration marks Air Canada's latest investment in providing unparalleled IFE content for its global customers. "We're thrilled to announce Audible as the latest global brand to work with Air Canada as we continue to expand the in-flight entertainment choices we offer our customers. Entertainment is an important part of the in-flight experience, and with a growing interest in audio stories, the addition of inspiring and engaging articles and interviews in audio format complements the diverse range of content available in our unparalleled in-flight programming," said John Moody, Managing Director, Product Design at Air Canada.

6. Porter adds Los Angeles and San Francisco to growing list of U.S. destinations

On October 3, 2023, Porter Airlines launched its first two western U.S. destinations in California with daily roundtrip service connecting Los Angeles International Airport (LAX) and San Francisco International Airport (SFO) to Toronto Pearson International Airport (YYZ). The new routes will be operated by the Embraer E195-E2 aircraft, featuring a 132-seat, all-economy, two-by-two configuration. There are no middle seats on any Porter flight.

7. Porter launches non-stop service between Edmonton and Ottawa

Porter Airlines is launching service between Ottawa International Airport (YOW) and Edmonton International Airport (YEG). The new route begins with one daily roundtrip flight operated on the 132-seat Embraer E195-E2 aircraft. The aircraft is a two-by-two configuration, meaning there are no middle seats on any Porter flight. The Edmonton-Ottawa route offers a variety of connections to the east coast via Ottawa, including Newark and Boston. Porter also operates multiple non-stop daily flights between Edmonton and Toronto-Pearson.

8. U.S. Airlines' August 2023 Fuel Cost per Gallon Up 13.8% from July 2023; Aviation Fuel Consumption Up 1.2% from Pre-Pandemic August 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on October 4, 2023 released U.S. airlines' August 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.672 billion gallons of fuel, 0.3% less fuel than in July 2023 (1.678 billion gallons) and 1.2% more than in pre-pandemic August 2019. The cost per gallon of fuel in August 2023 (\$2.82) was up 34 cents (13.8%) from July 2023 (\$2.48) and up \$0.88 (45.2%) from August 2019. Total August 2023 fuel expenditure (\$4.72B) was up 13.5% from July 2023 (\$4.16B) and up 46.9% from pre-pandemic August 2019. Year-over-year changes in fuel consumption and cost for August 2023 include 9.7% increase in domestic fuel consumption, 9.7% decrease in domestic fuel cost, and 17.7% decrease in cost per gallon. Domestic fuel consumption decreased 0.3% from July 2023 to August 2023, while increasing 1.4% from August 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

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20. July 2023 U.S. Airline Traffic Data Up 9.3% from the Same Month Last Year, October 13, 2023, www.bts.gov

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34. Progress towards Aviation Industry's Commitment to Passengers with Disabilities, October 26, 2023, www.iata.org

9. Passenger Demand Recovery Continues in August

The International Air Transport Association (IATA) announced that the strong post-pandemic passenger traffic trend continued in August 2023. *Total traffic* in August 2023 (measured in revenue passenger kilometers or RPKs) rose 28.4% compared to August 2022. Globally, traffic is now at 95.7% of pre-COVID levels. *Domestic traffic* for August rose 25.4% versus August 2022 and was 9.2% above the August 2019 results. This is largely driven by Chinese domestic demand. *International traffic* climbed 30.4% compared to the same month a year ago. All markets saw double-digit percentage gains year on year. International RPKs reached 88.5% of August 2019 levels. “Demand for air travel performed well in August 2023. For the year to date, international traffic has increased by 50% versus last year and ticket sales data show international bookings strengthening for travel in the last part of the year,” said Willie Walsh, IATA’s Director General.

10. Air Cargo Demand up 1.5% in August, First Annual Growth Since February 2022

The International Air Transport Association (IATA) released data for August 2023 global air cargo markets, showing that year-on-year air cargo demand grew for the first time in 19 months. Global demand, measured in cargo tonne-kilometers (CTKs), increased by 1.5% compared to August 2022 levels (2% for international operations). Capacity, measured in available cargo tonne-kilometers (ACTKs), was up 12.2% compared to August 2022 (11.8% for international operations). This was largely related to belly capacity which rose 30% year-on-year as airlines ramped-up operations to meet peak-northern summer travel season demand.

11. British Airways reaches tentative deal with pilots’ union

British Airways reached a tentative labour agreement with unionized pilots, removing the threat of a walkout through 2023 as the flagship UK carrier cements a recovery from the Covid-19 era travel slowdown. Members of the British Airline Pilots’ Association will now vote on whether to ratify the agreement in principle, which builds on pay and working-condition changes made last year, BA said in an emailed statement on Thursday, October 5, 2023. The airline’s fortunes have improved since it imposed a pay cut on pilots during the Covid-19 pandemic. Parent company IAG SA announced better-than-expected second-quarter earnings in July 2023, citing BA’s performance on North Atlantic routes from London Heathrow airport. Overall, IAG expects capacity to return to 97% of pre-Covid levels by year-end. The deal with pilots follows an accord in August 2023 with 24,000 other staff for a 13.1% pay rise over an 18-month period. Airlines have been proactive in securing new pay deals with staff as they seek to avoid a return to last summer’s travel chaos, which saw companies scrambling to recruit enough staff to deal with the post-Covid travel boom.

12. FedEx, UPS suspend freighter flights to Israel

FedEx Express joined a long list of airlines that have sharply reduced international flights into Israel after a large attack by Hamas insurgents from Gaza over the weekend, but other cargo operators are trying to keep air cargo traffic flowing during the war despite the risk in the air and at Tel Aviv airport. UPS late Monday, October 9, 2023 also said it had stopped flying to Israel. “We are closely monitoring the situation and have temporarily suspended flights into and out of Israel. Service disruptions may occur,” the express logistics provider said in a statement to *FreightWaves*. UPS added in a new service alert that it has contingency plans in place to move shipments that are already in Israel to their destinations as quickly as it is safe to do so.

13. Travelport Signs New Content Distribution Agreement with Air Canada, including NDC

Travelport, a global technology company that powers travel bookings for hundreds of thousands of travel suppliers worldwide, and **Air Canada**, Canada’s flagship carrier, on October 11, 2023 announced they have renewed their content distribution agreement, which includes New Distribution Capability (NDC) content and servicing. With this agreement, Travelport-connected agencies worldwide will continue to have access to the widest range of products and ancillaries from Air Canada, along with superior servicing capabilities. As Travelport delivers retail-ready content from the carrier, including NDC content, agency customers will be able to easily search, view and compare Air Canada’s dynamic offers all in one place. Travelport and Air Canada anticipate the launch of the airline’s full NDC solution on Travelport+ in the coming months, which will include full end-to-end servicing of NDC bookings to help agencies easily manage trip changes and exchanges.

14. U.S. Cargo and Passenger Airlines Lost 125 Jobs in August 2023; Employment Remains 8.3% Above Pre-Pandemic August 2019

U.S. airline industry (passenger and cargo airlines combined) employment decreased to 803,768 workers in August 2023, 125 (0.02%) fewer workers than in July 2023 (803,893) and 61,442 (8.28%) more than in pre-pandemic August 2019 (742,326). U.S. scheduled-service passenger airlines employed 530,300 workers in August 2023 or 66% of the industry-wide total. Passenger airlines added 2,125 employees in August 2023 for a twenty-eighth consecutive month of job growth dating back to May 2021. United Air Lines led scheduled passenger carriers, adding 878 employees; Southwest added 804, and Delta Airlines added 494. U.S. cargo airlines employed 268,730 workers in August 2023,

34% of the industry total. Cargo carriers lost 2,233 employees in August 2023. FedEx, the leading air cargo employer, decreased employment by 1,115 jobs.

15. Brink's sues Air Canada after \$17 million heist of gold and cash

An unsolved \$17 million heist of Swiss gold and cash near Canada's busiest airport has led Brink's Co. to sue Air Canada for allegedly letting a thief slip away with the loot. Miami-based Brink's accused the airline of "negligence and carelessness" in a lawsuit after a heist at a Toronto cargo facility netted thieves about 400 kilograms (882 pounds) of gold and \$1.9 million in bank notes. The carrier failed to ensure the shipment marked "valuable cargo" had adequate security and protection, Brink's alleges in the statement of claim, which was filed at the Federal Court of Canada on Oct. 6, 2023. Air Canada declined to comment. In mid-April, Swiss bank Raiffeisen Schweiz Genossenschaft and precious metals refining company Valcambi SA hired Brink's to move the goods from Zurich to Toronto, the two cities. The shipment of gold bars and bills was hauled from Pearson International Airport to a warehouse at around 5:50 p.m. Toronto time on April 17, 2023. About 40 minutes later, someone showed up with fraudulent documents to pick them up. "No security protocols or features were in place to monitor, restrict or otherwise regulate the unidentified individual's access to the facilities," Brink's alleges in the statement of claim.

16. Expanded Canada-Panama Air Transport Agreement to allow more flights between both countries

On October 11, 2023, the Minister of Transport, Pablo Rodriguez, announced the conclusion of an expanded air transport agreement between Canada and Panama. With this expanded agreement, airlines can introduce more flight options and routings. This means more choice and more convenience for Canadians. Each country's airlines are now able to operate a total of 14 passenger flights per week, and an unlimited number of all-cargo flights. This is up from nine flights per week for passenger and/or all-cargo services. This new agreement will better accommodate the growing Canada-Panama market, improve Canada's global connectivity, and support tourism and trade activity between the two countries.

17. WestJet visit to Regina brings renewed commitment to region and celebrates strong summer performance

WestJet Chief Executive Officer, Alexis von Hoensbroech on October 11, 2023 visited Regina to discuss the important role the region has in WestJet's ambitious growth strategy for Western Canada and to look ahead to an anticipated busy winter travel season and celebrate the WestJet Group's strong summer performance. Joined by Regina Airport Authority CEO, James Bogusz and Mayor Sandra Masters, this executive visit focused on engaging with local partners and community stakeholders to discuss WestJet's longstanding investments in the region and exciting future ahead. "Hearing what matters most from Regina-based business leaders, local partners and government stakeholders is a vital aspect of our ambitious growth strategy and ensures that the WestJet Group continues to meet the demands of the community and supports tourism to the area for years to come," shared Alexis von Hoensbroech, WestJet Group Chief Executive Officer. "By working collectively, we can ensure that the residents of Regina, and surrounding areas, continue to benefit from affordable air travel and enhanced connectivity to popular destinations across WestJet's growing network."

18. Air Canada to Support Government of Canada in Bringing Canadians Home from Israel with Special Flights

Air Canada announced on October 12, 2023 that, in coordination with the Government of Canada, it will operate two special flights on October 13 and 14, 2023 from Athens to bring Canadians and permanent residents home from Israel. Through the arrangement, the Government of Canada is operating military flights from Tel Aviv to transport people to Athens, where they will then connect with Air Canada's special flights back to Toronto. "Although safety considerations are unfortunately preventing us from operating our regular flights to Tel Aviv at present, we are supporting the Government of Canada in bringing Canadians home safely from Israel through these special repatriation flights. We continue to monitor the terrible events in Israel very closely and extend to its people our deepest condolences. We have flown to Israel since 1995 and it is a very important part of our network. Air Canada is committed to resuming commercial operations as soon as the situation stabilizes. I thank all employees involved across Air Canada for their tireless efforts in organizing these special flights," said Michael Rousseau, President and Chief Executive at Air Canada.

19. Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, convenes meeting to find solutions for travellers at the Montreal-Trudeau International Airport

On October 13, 2023, the Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, issued the following statement: "Earlier this week, leadership from Aéroports de Montréal, Air Canada, WestJet, Air Transat, the Canadian Air Transport Security Authority, the Canada Border Services Agency, NAV Canada and Transport Canada met in Dorval to find solutions for passengers traveling through the Montreal-Trudeau International Airport. In this meeting, we discussed opportunities for better information sharing among partners, to help ease the pressure during peak periods. We explored opportunities to improve service and agreed to continue our work to find short-term solutions to the congestion challenges at the Airport. We have all experienced delays and cancellations when travelling. We know how

frustrating this is. Canadians work hard to save up to travel and they expect airlines, airports, and their partners to do better. In this meeting, we agreed that we all have to step up for Canadians.”

20. July 2023 U.S. Airline Traffic Data Up 9.3% from the Same Month Last Year

U.S. airlines carried 87.8 million systemwide (domestic and international) scheduled service passengers in July 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, July enplanements are up 0.3% from June and down 6.0% from the all-time high reached in January 2020. BTS reported 75.4 million domestic passengers and 12.4 million international passengers on U.S. airlines flights in July, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 and complete data since 2000.

21. Uptick in airfreight rates creates mirage of market recovery

Air logistics stakeholders may want to pump the brakes on celebrations of shipping volumes and rates finally climbing from the depths of a prolonged downturn. Newfound optimism is tempered by the fact that growth has more to do with normal seasonal patterns than a fundamental shift in demand. The market is essentially flat versus an anemic final stretch in 2022, according to the latest data. And with no signs of a demand push as consumer finances get squeezed, analysts remain bearish about prospects for a traditional shipping peak leading up to the holiday season. More industry experts now say real growth in the air cargo sector is still a year away.

22. Porter adds another western connection with Ottawa-Calgary

Porter Airlines is launching daily service between Ottawa International Airport (YOW) and Calgary International Airport (YYC) with its new Embraer E195-E2 aircraft, adding another cross-country connection for passengers to travel across Canada in style. The new service starts on February 14, 2024, marking the latest expansion into Western Canada from Ottawa, complementing existing flights to Vancouver and Edmonton and providing connections to destinations across Eastern Canada and the United States.

23. Second Quarter 2023 Average Air Fare Increases 1.5% from First Quarter 2023

The average United States domestic air fare increased in the second quarter of 2023 to \$392, up 1.5% from the first quarter 2023 inflation-adjusted fare of \$386. Adjusted for inflation (constant 2023 dollars), the average second quarter 2023 air fare was up 27.7% from \$307 in the first full quarter of the pandemic in 2020 and down 7.1% from fourth quarter 2019 (pre-pandemic) fare of \$422. In the second quarter of 2023, passenger demand increased with U.S. airlines reporting 88.8 million originating passengers, up 87.1% from 11.5 million passengers in the second quarter of 2020.

24. Air Travel Consumer Report: July 2023 Numbers

U.S. Department of Transportation (DOT) on October 17, 2023 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of July 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. The ATCR is designed to assist consumers with information on the quality of services provided by airlines. DOT remains committed to ensuring airline passengers are treated fairly and flights operate as scheduled. For the first seven months of 2023, 1.7% of flights have been cancelled, far below the 3.0% cancellation rate for the first seven months of last year and the 2.4% cancellation rate for first seven months of pre-pandemic 2019.

25. Air Canada and Dreams Take Flight Team Up to Make Magical Memories for Vancouver Children Through Once-in-a-Lifetime Flight

Air Canada and Dreams Take Flight have teamed up for another memorable journey. This year, Air Canada and Dreams Take Flight will transport over 119 children on a trip-of-a-lifetime from Vancouver to a California theme park thanks to the support of numerous Air Canada employee volunteers and the Air Canada Foundation. Since 1989, Dreams Take Flight has given more than 30,000 Canadian children with various special needs a flight of a lifetime. The children were accompanied by a crew of current and retired Air Canada employee volunteers who were dedicated to providing a magical experience for those onboard. The crew members, including pilots, flight attendants, maintenance engineers, and numerous other employees on the ground and behind the scenes, generously donated their time to offer children facing mental, physical, or social adversity the chance to take a break from their everyday lives and create memories while uncovering new horizons.

26. Minister of Transport announces new funding to strengthen air safety in La Ronge, Saskatchewan

On October 18, 2023, the Minister of Transport, Pablo Rodriguez, announced that the Government of Canada is making major investments to strengthen air safety at the La Ronge (Barber Field) Airport. Through Transport Canada's Airports Capital Assistance Program, the airport is receiving more than \$2.7 million for an airfield lighting rehabilitation project that will help maintain safe airport operations for passengers, crews, and airport workers. The project includes: 1. new edge and threshold lights on Runway 18-36; 2. precision approach path indicators lights; 3. simplified short approach lighting and omni-directional approach lights; 4. edge lights on Taxiways A, B, C and the apron; 5. floodlights on Apron 1; 6. constant current regulators; and 7. signage and de-icing area floodlights and edge

lights. This funding is in addition to more than \$1.2 million provided to the airport in 2022 for the purchase of a loader, a runway sweeper and a 4x4 snowplow, used in the removal and control of snow and ice on airside surfaces such as runways, taxiways and aprons.

27. WestJet sets course for enhanced value through revenue management, pricing and distribution synergies

As WestJet continues to strengthen its position as Canada's leading low-cost airline and vacations provider, the airline is advancing its talented leadership team with the enhancement of Jorge Rozo's leadership portfolio to now include the airline's Distribution team and strategy. Guided by Rozo's leadership, WestJet is strategically aligning its revenue management, pricing, ancillary services, and distribution strategies to unlock synergies throughout the organization, enabling a more cohesive approach to offer and order management. By evolving its distribution capabilities, WestJet aims to continue delivering enhanced value to both partners and guests. "With more than eight years of dedicated service at WestJet, Jorge's experience will play a key role in the evolution of the airline's retail strategy," said John Weatherill, WestJet Group Executive Vice-President and Chief Commercial Officer. "Jorge is an enthusiastic leader, has a proven track record and understands the intricacies of revenue, pricing and distribution in aviation. We look forward to his continued leadership and contribution as we redefine this critical part of our business."

28. Porter announces fabulous flights between Las Vegas and Toronto-Pearson

Porter Airlines is bringing a new style of elevated air service to the desert by launching daily flights between Toronto Pearson International Airport (YYZ) and Las Vegas Harry Reid International Airport (LAS). The route begins on March 5, 2024, with the new Embraer E195-E2 aircraft. The world-class entertainment starts when passengers step on board, since Porter is the only airline on this route providing free, fast WiFi for everyone. Travellers can stream their favourite content or access Porter's inflight entertainment portal on their personal devices.

29. Minister of Transport announces new funding to strengthen air safety in Brandon, Manitoba

On October 19, 2023, the Minister of Transport, Pablo Rodriguez, announced that the Government of Canada is making major investments in improving safety at the Brandon Municipal Airport. Through Transport Canada's Airports Capital Assistance Program, the Airport is receiving more than \$10 million to rehabilitate airside pavement on Runway 08-26, Taxiway A and Apron 1. This rehabilitation work will help keep passengers, airport workers and crews safe by ensuring airside surfaces remain in top condition. Since 2016, the Government of Canada has provided the Brandon Municipal Airport with more than \$2.3 million in Airports Capital Assistance funding for projects and equipment including the purchase of a grader used in airside snow removal, the installation of wildlife control fencing, and the rehabilitation of airside electrical systems.

30. Exceeding All Expectations: Aeroplan's Points Matching Week Raises a Record 67 million Aeroplan Points for Families Needing Access to Hospital Care

Thanks to the collaborative efforts of Canadian companies and dedicated Aeroplan members, more families will be supported with easier access to hospital care than ever before. This year, an astounding 67.7 million points were raised during Aeroplan's annual Aeroplan Points Matching Week representing the most successful points matching campaign in the two-decade history of the Hospital Transportation Program. With the points donated during the week, the Hospital Transportation program will be able to help roughly 700 families, based on the average points used for flights in 2023 to date. For 20 years, the Air Canada Foundation's Hospital Transportation Program has operated on the generous donations of Aeroplan members to provide relief for families across Canada whose children need specialized medical treatment. This year, Aeroplan partners took it to the next level to mark the program's 20th anniversary. "The generosity exhibited through this year's campaign has blown us away. With donations coming from across Canada and more than 80 countries, our Aeroplan partners and members came together from around the globe to rally behind families to provide a sense of relief for those who face the stress of transporting a child for medical treatment," said Valérie Durand, spokesperson for the Air Canada Foundation. "We cannot thank our Aeroplan partners and members enough for their generosity and contributions which will help ensure the sustainability of this impactful program for years to come."

31. Porter Airlines Turns 17

On October 23, 2023, Porter is celebrating 17 years of service! It's been a transformative year for the airline with the launch of its new state-of-the-art Embraer E195-E2 jets, introducing flights at Pearson International Airport and greatly expanding our flights in Ottawa. This expands its network coast-to-coast in Canada and into additional key U.S. markets. In the past 12 months, the airline has: 1. Hired more than 1,000 new team members; 2. Taken delivery of 22 new E195-E2s; 3. Total fleet size of 51 aircraft including 29 Dash 8 aircraft; and 4. Announced 26 new routes and 14 new destinations. The airline now flies as far west as Victoria and as far east as St. John's in Canada. It is also making further headway into the U.S. with five destinations in Florida, as well as Los Angeles, San Francisco and Las Vegas, starting this fall and winter.

32. Air Travel Consumer Report: August 2023 Numbers

The U.S. Department of Transportation (DOT) on October 24, 2023 released its Air Travel Consumer Report (ATCR)

on airline operational data compiled for the month of August 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. The ATRC is designed to assist consumers with information on the quality of services provided by airlines. DOT remains committed to ensuring airline passengers are treated fairly and flights operate as scheduled. For the first eight months of 2023, 1.7% of flights have been cancelled, far below the 3.0% cancellation rate for the first eight months of last year and the 2.3% cancellation rate for first eight months of pre-pandemic 2019. For additional dimensions on the quality of service please visit the website of DOT.

33. Canada and Panama expand air services deal

An expanded air transport agreement has been reached between Canada and Panama.

With this expanded agreement, airlines can introduce more flight options and routings. This means more choice and more convenience for Canadians. “This important development in our air transport agreement with Panama will improve connectivity for passengers, deepen our cultural and commercial ties, and strengthen our supply chains,” said transport minister Pablo Rodriguez. “As we continue to support the recovery of our air industry, it’s great news when we see more options for travellers and businesses alike.”

34. Progress towards Aviation Industry’s Commitment to Passengers with Disabilities

The International Air Transport Association (IATA) announced the results of its 2023 Global Passenger Survey (GPS) related to accessibility of air transport to passengers with disabilities, showing significant satisfaction levels among passengers who used special assistance services: *80% of travelers using special assistance services said that their expectations were met.* “In 2019, the IATA Annual General Meeting adopted a resolution reflecting our members’ commitment to ensure that every traveler has access to safe, reliable and dignified travel. While we all have more work to do to support the needs of our passengers with disabilities, we believe this survey result demonstrates progress towards that commitment,” said Conrad Clifford, IATA Deputy Director General and Corporate Secretary.

WATER TRANSPORTATION

1. Roberts Bank Terminal gains provincial environmental certificate

A British Columbia environmental assessment certificate has been issued to Vancouver Fraser Port Authority for the proposed Roberts Bank Terminal 2 in Delta, which follows federal approval earlier this year. The provincial certificate contains requirements for the project on matters that fall under provincial jurisdiction. The decision to issue a provincial certificate was made by George Heyman, Minister of Environment and Climate Change Strategy and Rob Fleming, Minister of Transportation and Infrastructure after considering the B.C. Environmental Assessment Office’s (EAO) report on the environmental assessment. The B.C. ministers noted that with the project almost entirely on federal lands, within federal jurisdiction and approved by the federal government, a decision not to issue a B.C. certificate could not prohibit the project from going forward. Issuing the certificate with provincial requirements safeguards provincial interests.

2. Panama Canal fiscal year 2024 update

The Panama Canal’s budget for fiscal year 2024 begins next Sunday, October 8, 2023, as the authority will continue to manage its operations to maximize water availability in the extreme drought conditions experienced by the country, maintaining the draft at 44 feet and the number of transits between 30 and 32 per day, as previously announced. Hence on October 2, 2023, the Canal announced that as of November 1st, 2023 the average number of transits through the Canal will be adjusted to 31 transits per day: nine through the Neopanamax locks and 22 through the Panamax locks. Additionally, changes will be made to the booking system, introducing Operating Condition 5. Under this condition, the daily transit reservation quotas will be adjusted to a maximum of 30 reservations: eight in the Neopanamax locks and the difference in the Panamax locks. To allow customers to adjust their itineraries and reduce waiting times for vessels that do not have a reservation, Condition 3 will be in effect from October 4 to 31, limiting the total number of reservations at the Panamax locks to a total of 14. This measure makes it possible to manage the number of vessels on standby and ensures that vessels

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1. Roberts Bank Terminal gains provincial environmental certificate, September 29, 2023, www.insidelogistics.ca
2. Panama Canal fiscal year 2024 update, October 2, 2023, www.ajot.com
3. Statement by Minister Rodriguez on World Maritime Day, September 28, 2023, www.tc.gc.ca
4. DP World chooses contractors for hydrogen RTG pilot in Vancouver, October 3, 2023, www.insidelogistics.ca
5. BC Ferries sets price cap, October 4, 2023, www.todaystrucking.ca
6. Port of Long Beach named ‘Best West Coast Seaport’, October 5, 2023, www.ajot.com
7. Minister of Transport announces funding for a new container terminal at the Port of Montréal, October 10, 2023, www.tc.gc.ca; and Feds contribute to construction of Montreal’s Contrecoeur container terminal, October 11, 2023, www.todaystrucking.com
8. The Port of Montreal welcomes the Government of Canada’s support for its Contrecoeur expansion project, October 11, 2023, www.ajot.com
9. Solvay and Vancouver Bulk Terminal to build world-class soda ash shipping facility in the US, October 11, 2023, www.ajot.com
10. Seaway workers vote to strike, October 13, 2023, www.insidelogistics.ca
11. US pulls trigger on Russian sanctions, blacklists 2 crude tankers, October 12, 2023, www.freightwaves.com
12. The Panama Canal adapts: Strategic measures for water savings, October 12, 2023, www.ajot.com

en route or in queue, which have not been booked, can transit within reasonable timeframes. These adjustments have been made to manage the water shortage, among other actions to administrate transits, which have allowed the Canal to stabilize waiting times for customers.

3. Statement by Minister Rodriguez on World Maritime Day

On September 28, 2023, the Minister of Transport, the Honourable Pablo Rodriguez, issued this statement on World Maritime Day: “Today is World Maritime Day—a day to recognize the important role marine transportation and marine workers play in keeping our supply chains and people moving. With the longest coastline in the world, and ports of call in the Great Lakes, St. Lawrence Seaway and the Atlantic, Pacific and Arctic Oceans, Canada relies heavily on maritime trade and transportation. “This year’s International Maritime Organization’s World Maritime Day theme—*MARPOL at 50: Our commitment goes on*—reflects Canada’s long history of protecting the environment from the impacts of shipping and emphasizes our ongoing commitment to this important work. This highlights the critical role that MARPOL (the International Convention for the Prevention of Pollution from Ships) plays in managing and preventing the pollution of the marine environment by ships—from both operational and accidental causes.

4. DP World chooses contractors for hydrogen RTG pilot in Vancouver

DP World has selected contractors for a hydrogen fuel cell pilot project at its terminals at the Port of Vancouver. Loop Energy, a hydrogen fuel cell manufacturer, and Tycrop Manufacturing, an engineering company based in Chilliwack BC, have been chosen to provide a hydrogen electric solution for DP World’s pilot project to decarbonize its rubber-tired gantry cranes (RTGs) fleet at the Port of Vancouver. HTEC is supplying the hydrogen. The pilot project will see DP World’s first RTG powered by hydrogen fuel cell systems put into operation at the Port. The RTG pilot is expected to begin operation in Q2 2024, and will be used as a demonstrator to scale the electrification across the organization’s global fleet in subsequent phases.

5. BC Ferries sets price cap

Ferry users, including commercial trucks, can expect an annual fare increase by a maximum of 3.2% for the next four years, the British Columbia Ferry Commission announced on October 3, 2023. This final price cap for the sixth performance term, from April 1, 2024, to March 31, 2028, is lower than the 9.2% proposed in March. The additional \$500 million in funding from the B.C. government helped to keep cap fares lower than anticipated, commissioner Eva Hage said in a press release. “A maximum 3.2% increase in annual fares will, I believe, be sufficient to allow BC Ferries to meet the financial demands of the upcoming performance term, while at the same time providing British Columbians with safe, reliable and affordable ferry service.”

6. Port of Long Beach named ‘Best West Coast Seaport’

The Port of Long Beach has been named the Best West Coast Seaport in North America for the fifth year in a row by the readers of shipping trade publication Asia Cargo News. The honor was announced during the Asian Freight, Logistics and Supply Chain Awards held Sept. 28 in Singapore. Asia Cargo News hosts and organizes the awards ceremony yearly to recognize the top seaports, shipping lines and other logistics industry leaders. More than 15,000 readers of Asia Cargo News made the nominations for each category, then determined the winner from a list of eight finalists in each category.

“It’s wonderful to be honored again by the very customers we serve,” said Port of Long Beach CEO Mario Cordero. “Thank you to the waterfront workforce and industry partners who continue to make the Port of Long Beach the most sustainable, efficient gateway for trans-Pacific trade.” “We are investing \$2.2 billion during the next 10 years to upgrade our rail infrastructure, modernize terminals, deepen channels and enhance our operations to stay ahead of our competition,” said Long Beach Harbor Commission President Bobby Olvera Jr. “We are grateful for the recognition by Asia Cargo News and the support of its readers.”

13. Ontario Releases First-Ever Marine Transportation Strategy, October 14, 2023, www.mto-gov.on.ca
14. Middle East conflict to impact shipping, as Israeli ports adjust operations, October 13, 2023, www.insidelogistics.ca
15. Labor peace drives West Coast rebound in market share of Asian imports, October 16, 2023, www.joc.com
16. Ports Long Beach and Los Angeles support \$1.2 billion hydrogen grant funding, October 16, 2023, www.ajot.com
17. USDOT Strengthens Economic Supply Chain and Defense Operations, October 17, 2023, www.dot.gov
18. Feds add \$150 million in funding to Montreal’s Contrecoeur project, October 17, 2023, www.insidelogistics.ca
19. The antitrust immunity for carrier agreements remains beneficial for the global supply chain, October 17, 2023, www.ajot.com
20. Port of Long Beach CEO: ‘Consumer confidence is on the rise’, October 19, 2023, www.freightwaves.com
21. PRPA to Begin Construction on \$750 Million Export Logistics Project, October 19, 2023, www.rupertport.com
22. Hapag-Lloyd enters Brazil feeder market amid cabotage deregulation, October 20, 2023, www.joc.com
23. Ports not prepared for IMO single window mandate, October 20, 2023, www.insidelogistics.ca
24. Strike notice threatens St. Lawrence Seaway shutdown as of Sunday, October 19, 2023, www.ajot.com; and St. Lawrence Seaway Shuts Down as Union Workers Strike, October 22, 2023, www.bloomberg.com
25. Investing in innovation and technology to support trade growth and strengthen supply chains at the Port of Vancouver, October 20, 2023, www.portofvancouver.com
26. Strongest September on record at Port of Long Beach, October 20, 2023, www.ajot.com
27. Canada’s St. Lawrence Seaway workers to go on strike, Union for union says, October 23, 2023, www.reuters.com; and St. Lawrence Seaway strike stalls road salt, wheat, steel cargo as winter closing nears, October 24, 2023, www.globandmail.ca
28. “Get back to the table”, O’Regan tells seaway and union, October 24, 2023, www.insidelogistics.ca
29. Seaway Negotiations Resume, October 24, 2023, www.ajot.com
30. Record year for cruise at Port of Vancouver, October 23, 2023, www.portofvancouver.ca
31. On the front lines of the St. Lawrence Seaway strike: Ships — and crops — piling up, October 27, 2023, www.thestar.com

7. Minister of Transport announces funding for a new container terminal at the Port of Montréal

October 10, 2023, the Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, announced an investment of up to \$150 million under the National Trade Corridors Fund to build a new container terminal for the Montréal Port Authority within the city of Contrecoeur, Québec. The new terminal would increase the Port of Montréal's container capacity to meet the growing need for cargo transportation and help maintain the fluidity of the Port's operations. The construction for the new terminal will include: 1. a 675 metre-long dock, including the approach area for ships; 2. a rail network connecting to the existing Canadian National Railway (CN) tracks, including a railway transfer point and freight transfer hub; 3. a road access to connect the terminal to the public network; 4. a container handling yard; and 5. a operation and administrative buildings. These improvements will strengthen links between Canada and world markets and provide Canadian companies with the port infrastructure they need to remain competitive. Once completed, the new terminal is expected to increase the annual value of imports and exports handled at the port, generating up to \$140 million per year across the country. In addition, this project would increase the total capacity of the Port of Montréal by 55 percent.

8. The Port of Montreal welcomes the Government of Canada's support for its Contrecoeur expansion project

The MPA welcomes the \$150 million allocated to the container terminal project in Contrecoeur through the National Trade Corridors Fund (NTCF) announced on October 11, 2023 by Canada's Transport Minister, Pablo Rodriguez. This strategic investment is a giant step towards improving the fluidity of Canada's supply chain. This financial support from the federal government confirms the strategic importance of the Contrecoeur expansion project in view of the anticipated growth in the container sector to meet the needs of importers, exporters and consumers. In 2021, the Port of Montreal's expansion of its activities at Contrecoeur received a favourable Decision Statement from Canada's Minister of the Environment and Climate Change, allowing the project to proceed.

9. Solvay and Vancouver Bulk Terminal to build world-class soda ash shipping facility in the US

Solvay, a global leader in the soda ash market, and Vancouver Bulk Terminal, a bulk commodity shipping and logistics expert, announced on October 11, 2023 a strategic partnership to collaborate on the redevelopment of Terminal 2, Berth 7 at the Port of Vancouver USA, in Washington state. Reconstruction is set to begin in 2024 and expected to be completed by early 2026. The facility is poised to become a key global outlet for the export of soda ash from North America emphasizing design, efficiency, and sustainability through the combined expertise and capabilities of Vancouver Bulk Terminal (VBT), the Port of Vancouver USA, and Solvay. The newly designed terminal will have the capability to annually process more than 2.5 million tons of soda ash. The expanded capacity will support the previously announced expansion of Solvay's Green River, Wyoming soda ash operations. The terminal will also add crucial export capacity to the North American soda ash industry, which is recognized as the world's fastest-growing soda ash producing region. Both companies and the port are enthusiastic about the partnership's potential impact on the soda ash sector and the broader economy. "We are excited to work with Vancouver Bulk Terminal and the Port of Vancouver to develop a state-of-the-art facility that will allow Solvay to serve our international customers sustainably for the foreseeable future," said Brian Kebart, President of Solvay American Soda.

10. Seaway workers vote to strike

Members of Unifor Local 4212 and Local 4323 in Ontario and 4320 in Quebec working for the St. Lawrence Seaway Corporation voted 99 percent in favour of a strike should negotiations not result in a deal by the October 21, 2023 strike deadline. "Seaway workers manage the transit of more than 200 million tons of cargo each year and they deserve fair wages for the vital and challenging work they do," said Lana Payne, Unifor national president. "The St. Lawrence Seaway Management Corporation, as a contractor of the federal government, must meet wage expectations and show these workers the value of their labour." Negotiations with the employer began on June 19 and 20, 2023 with additional dates from September 25 through 29. The parties decided to use a conciliator to facilitate discussions from the onset of bargaining. "Workers are expecting wage increases, especially given the current cost of living, and they have made it clear that the St. Lawrence Seaway Corporation hasn't yet offered enough to settle this agreement," said Daniel Cloutier, the union's Quebec regional director. "The trade corridor doesn't work without the workers – and they are demanding and deserving of respect."

11. US pulls trigger on Russian sanctions, blacklists 2 crude tankers

It took a while but it finally happened: The U.S. Treasury Department has begun sanctioning tankers transporting Russian crude oil valued above the West's price cap. Since Dec. 5, 2022, the Group of Seven nations, members of the European Union and Australia have barred their countries' marine service providers from working with tankers carrying Russian crude priced above \$60 per barrel. Tankers carrying crude above the cap that use G-7, EU or Australian services have been threatened with sanctions. The price cap was designed to allow Russian crude to continue to flow to world markets while simultaneously forcing Russian crude to be sold at a discount, curtailing profits to the Kremlin.

12. The Panama Canal adapts: Strategic measures for water savings

It is not an exclusive concern of the Panama Canal or the country; it is a global problem that affects humanity. The year 2023 records historically high temperatures in the Atlantic Ocean, exacerbated by the presence of the El Niño phenomenon, which raises the temperature of the Pacific Ocean and, in the case of Panama, delayed the start of the rainy season, resulting in a significant decrease in the levels of freshwater in the reservoirs of the Panama Canal, essential for its operation. To address these challenges, the Canal has taken water-saving measures to supply 55% of the population and provide competitive and continuous service to global maritime trade. One of the implemented measures is cross-filling in the Panamax locks. This maneuver involves reusing water from one lock chamber for use in the other, saving the equivalent of the average consumption of five daily transits.

13. Ontario Releases First-Ever Marine Transportation Strategy

On October 14, 2023, the Ontario government released *The Future of the Great Lakes Economy: Ontario's Marine Transportation Strategy*, outlining actions the province will take to strengthen Ontario's position as a leader in marine transportation. Part of the government's plan to build Ontario, the strategy will create more jobs, trade and economic opportunities for the future. The four-pillar strategy will serve as the foundation for building a strong and sustainable marine sector that will make Ontario a leading jurisdiction in the years to come. It outlines over 14 near and longer-term actions, including: 1. Establishing the Ontario Marine Partnership and Development Office to oversee implementation of the strategy, be the key contact for industry stakeholders, and build awareness of Ontario's marine sector priorities. 2. Strengthening connections between marine and other modes of transportation to keep people moving and get goods to market faster. 3. Working closely with public and private industry partners to attract and retain more workers in the sector, including providing new and expanded internship opportunities. 4. Harnessing green, low-carbon emissions and alternative fuels technologies that will support a more environmentally sustainable marine sector and transportation network.

14. Middle East conflict to impact shipping, as Israeli ports adjust operations

The Israel-Palestine conflict, marked by recent violence between Israel and Hamas, has sent ripples through the shipping and maritime industry, leading international companies to issue cautionary advisories and adapt their operations in the region. "In light of recent developments in the Middle East, including the outbreak of war in Israel and its vulnerability to missile attacks and the incursion of opposing militias, the security of transporting goods through the port of Haifa has become uncertain. The transit of containers, especially hazardous materials, and the arrival of commercial vessels greatly emphasize the importance of security on this route. Such insecurity or potential terrorist attacks could lead to a shift in the transportation of goods," said Hossein Norouz Fashkhami, a senior marketing expert from the region.

15. Labor peace drives West Coast rebound in market share of Asian imports

Fifteen months of labor instability and disruptions along the West Coast ended in August 2023 when the International Longshore and Warehouse Union (ILWU) ratified an agreement. After plunging to an eight-month low in July 2023, the West Coast's share of US imports from Asia nudged slightly higher in September 2023 after increasing strongly in August 2023, an upward trend that is expected to continue into the new year now that labor uncertainties have been put to rest. "We're definitely seeing cargo coming back to the West Coast," Weston LaBar, chief spokesperson for Cargomatic, a Southern California logistics and drayage provider, said to the *Journal of Commerce*.

16. Ports Long Beach and Los Angeles support \$1.2 billion hydrogen grant funding

Port of Long Beach Executive Director Mario Cordero said that projected \$1.2 billion in hydrogen fuel grants to California would aid the Ports of Long Beach and Los Angeles in their efforts to reach zero emission goals. Cordero also renewed his promotion of Pier Wind, an offshore wind farm assembly port planned for the Port of Long Beach. California and the San Pedro Bay ports' efforts to establish a green hydrogen market to accelerate zero-emissions operations "got jump-started with an announcement from the U.S. Department of Energy (DOE) on October 16, 2023 that it will award up to \$1.2 billion in grant funding to a public-private partnership formed to lead California's bid to create a hydrogen hub," according to the Port of Los Angeles. The \$1.2 billion in grants will go to California's Alliance for Renewable Clean Hydrogen Energy Systems – ARCHES.

17. USDOT Strengthens Economic Supply Chain and Defense Operations

On October 17, 2023, the U.S. Department of Transportation's Maritime Administration (MARAD) announced full enrollment for its Maritime Security Program (MSP) and Tanker Security Program (TSP). Both programs provide the Department of Defense (DoD) with access to a fleet of U.S.-flagged sustainment sealift vessels and product tankers for use during times of armed conflict or national emergency. The programs strengthen the U.S. supply chain while creating good-paying jobs.

18. Feds add \$150 million in funding to Montreal's Contrecoeur project

The federal government is allocating \$150 million to the Contrecoeur container terminal project through the National Trade Corridors Fund (NTCF). In 2021, the Port of Montreal's expansion of its activities at Contrecoeur received a favourable Decision Statement from Canada's Minister of the Environment and Climate Change, allowing the project to

proceed. “This financial backing from the federal government sends a strong message about our large Contrecoeur expansion project and the future of the logistics ecosystem in the St. Lawrence corridor. It lets us embark on the next steps with confidence, so that we can continue to play our vital role as a sustainable economic driver at the heart of the Quebec and Canadian economies,” said Geneviève Deschamps, interim president and CEO of the MPA.

19. The antitrust immunity for carrier agreements remains beneficial for the global supply chain

ASA submitted to the European Commission in October 2022, in collaboration with ICS and WSC, their solid position that the CBER is an important regulatory tool that yields significant benefits to a variety of stakeholders, with no downside from a competition or consumer welfare perspective, recommending that it be extended for another term without amendment. Therefore, the recent recommendation by DG COMP not to renew the EU Block Exemption for liner shipping consortia was met with disagreement, and ASA would like to once again emphasize that the importance of antitrust immunity for carrier agreements remains unchanged for the purpose of enhancing the economic efficiency of liner services with a wider range of services and port calls at a higher frequency without legal uncertainty. Following the EC’s repeal of the CBER, Mr. Yuichi Sonoda, the Secretary General of ASA, commented that “the European Commission recognizes the value of liner shipping consortia and vessel sharing agreements and has now chosen to ensure the legal certainty of those carrier agreements under the general EU antitrust rules. At the same time, ASA continues to voice the importance of antitrust immunity in jurisdictions worldwide to ensure efficient and sustainable maritime transport for the global economy.”

20. Port of Long Beach CEO: ‘Consumer confidence is on the rise’

The Port of Long Beach reported on October 19, 2023 that it had achieved its busiest September on record, thanks in large part to consumer demand for holiday-related goods and ratification of the International Longshore and Warehouse Union contract. The Southern California port moved 829,429 twenty-foot equivalent units in September, up 11.8% from the same month last year and surpassing the previous record set in September 2020, during the COVID-induced e-commerce surge, by 78,849 TEUs. The port noted that September marked its first monthly year-over-year (y/y) cargo increase in 14 months, suggesting the import drought may be over. “Consumer confidence is on the rise and shippers can rely on the Port of Choice now that we have a ratified contract in place with our waterfront workforce,” Port of Long Beach CEO Mario Cordero said in Thursday’s (October 19) news release. “We look forward to a moderate rebound in cargo volume through the end of the year.”

21. PRPA to Begin Construction on \$750 Million Export Logistics Project

The Prince Rupert Port Authority (PRPA) is commencing construction on the Ridley Island Export Logistics Project (RIELP), an innovative large-scale logistics project that will provide expanded capacity and capabilities for rail-to-container transloading of multiple export products at the Port of Prince Rupert. The investment promises to deliver critical trade infrastructure that will improve supply chain resiliency, strategic market access and enhanced competitiveness for Canadian exports. The project will consist of a 108-acre greenfield development on Ridley Island that will commence operation in Q3 2026. Ray-Mont Logistics will develop and operate facilities that provide transloading service capacity for 400,000 TEUs (twenty-foot equivalent units) for agricultural, forestry, and plastic resin products. Ray-Mont currently operates a successful multi-product transload facility on a temporary Ridley Island location that has proven the export transload concept in Prince Rupert.

22. Hapag-Lloyd enters Brazil feeder market amid cabotage deregulation

Forwarders in Brazil say Hapag-Lloyd’s entrance into the feeder market through a joint venture will inject competition amid an easing of the country’s cabotage rules. Hapag-Lloyd is entering Brazil’s burgeoning feeder service and cabotage trade via a new joint venture (JV) with Brazilian shipping group Norsul that will begin operations as Norcoast next year. Forwarders operating in Brazil have welcomed the move, explaining that it is likely to give forwarders and shippers more choices, possibly leading to lower freight rates. Hapag-Lloyd is the last of the major Europe-based container lines to enter Brazil’s domestic container market, and the announcement of the Norcoast JV coincides with the relaxation of the country’s previously stringent cabotage rules.

23. Ports not prepared for IMO single window mandate

Almost a third of global ports are not going to be ready for the International Maritime Organization (IMO)’s Maritime Single Window (MSW) mandate, which becomes compulsory worldwide from the beginning of January 2024. A recent survey of 200 ports by Kale Logistics Solutions revealed that 30 percent are not prepared to make the transition. This study examines the technological initiatives taken by ports and their willingness to digitize. IMO has pitched for time-bound action plans and adopting an MSW system as part of the digitization drive. IMO’s Convention on Facilitation of International Maritime Trade has made electronic data exchange mandatory since 2019. Yet only 30 percent of the ports globally adhered to the mandate.

24. Strike notice threatens St. Lawrence Seaway shutdown as of Sunday

The St. Lawrence Seaway, the maritime trade corridor connecting the Atlantic Ocean to the industrial heartlands of Canada and the United States, could be closed to all traffic as of 00.01 hours on Sunday (October 15) should the 361

Canadian unionized workers carry through their threatened strike action. Canada's St. Lawrence Seaway Management Corporation (SLSMC) was served with a 72-hour notice to strike on October 18 by the UNIFOR union which represents Seaway workers at locals 4211, 4319, 4212, 4323 and 4320 in Ontario and Quebec. Biggest outstanding issue revolves around wage increases aligned to inflation. The current contract expired on March 31, 2023. The binational waterway, which handled 36.2 million tonnes in 2022, plays a crucial role in the shipments of bulk commodities, breakbulk, and increasingly in wind farm related project cargo. Of the Seaway's 15 locks, 13 are Canadian and two are American at Massena, New York. The latter would be forced to close since no vessels could reach that section in the waterway. Internal traffic on the U.S. Great lakes by U.S. flag-carriers would not be affected. The SLSMC said it remains committed to obtaining a fair settlement and will continue to bargain in good faith with the assistance of a federally appointed mediator. But because of the strike notification, the SLSMC said it "has started implementing its detailed plans for an orderly and safe shutdown of the system within the 72-hour notice period. Should the unionized workers proceed with strike action, the St. Lawrence Seaway will be closed to all traffic." St. Lawrence Seaway shuts down as Unifor workers go on strike. In a release shortly after midnight on Sunday, the union said they were unable to reach an agreement with the employer by the strike deadline, despite negotiations "right up to the last moment."

25. Investing in innovation and technology to support trade growth and strengthen supply chains at the Port of Vancouver

The Vancouver Fraser Port Authority is partnering with the Government of Canada and Province of B.C. through the Integrated Marketplace program to collaborate on innovation and technology to enhance the reliability and efficiency of trade through the Port of Vancouver—improving trade competitiveness for Canadian businesses and access to the everyday goods Canadians rely on. Delivered by Innovate BC, the Integrated Marketplace has received \$9.9 million from the Pacific Economic Development Agency of Canada (PacifiCan) and \$11.5 million from the provincial government which will support establishing the Port of Vancouver as a testbed where digital initiatives can be developed that will help ensure existing and future infrastructure gets used to its full potential. The federal and provincial government funding comes through Innovate BC's Integrated Marketplace Initiative—which is supporting sustainable economic growth and innovation across B.C. including at the ports of Vancouver and Prince Rupert, and Vancouver International Airport.

26. Strongest September on record at Port of Long Beach

The Port of Long Beach achieved its busiest September on record, boosted by consumer demand for holiday-related goods, recent ratification of a labor pact between dockworkers and management and an ongoing effort to showcase the business attributes of the Port of Choice. Dockworkers and terminal operators moved 829,429 twenty-foot equivalent units (TEUs) in September 2023, up 11.8% from the same month last year and surpassing the previous record set in September 2020 by 78,849 TEUs. September also marked the Port's first monthly year-over-year cargo increase in 14 months. Imports rose 19.3% to 408,926 TEUs, while exports declined 10.3% to 101,248 TEUs. Empty containers moving through the Port grew 11.5% to 319,255 TEUs. "Consumer confidence is on the rise and shippers can rely on the Port of Choice now that we have a ratified contract in place with our waterfront workforce," said Port of Long Beach CEO Mario Cordero. "We look forward to a moderate rebound in cargo volume through the end of the year."

27. Canada's St. Lawrence Seaway workers to go on strike, Unifor union says

Workers at St. Lawrence Seaway Management Corp have decided to go on strike on October 22, 2023 after failing to reach an agreement on wages, the Canadian labor union Unifor said. Unifor, which represents 361 workers at the government-established company, said no agreement had been reached with management after a late Saturday deadline passed. "This impasse is extremely unfortunate, but our members remain committed to getting a fair agreement," Unifor National President Lana Payne said in a statement. Work stoppage puts about 100 vessels at anchor at ports and harbours along the Great Lakes/Seaway system that connects the heart of North America with markets in Europe and Africa.

28. "Get back to the table", O'Regan tells seaway and union

Labour Minister Seamus O'Regan took to social media to tell the St. Lawrence Seaway Management Corporation (SLSMC) and Unifor they need to resume bargaining. O'Regan posted on X, saying he had taken calls with both sides, and they need to resume talks. Over 350 Unifor workers are on strike at the seaway, shutting down the waterway to commercial traffic since October 22. Business groups also weighed in on the labour action.

29. Seaway Negotiations Resume

The St. Lawrence Seaway Management Corporation (SLSMC) continues to be extremely concerned with the impact the current strike by its unionized employees is having on Canadian and U.S. supply chains and economies. It is receiving ongoing communication from various groups voicing their concern about delays in getting essential cargoes delivered. Strike action by the UNIFOR locals started just after midnight on October 22nd. Later that day, the parties met individually with Federal Labour Minister Seamus O'Regan and Transport Minister Pablo Rodriguez, who urged them

to return to the table. SLSMC management has been working since the outset of negotiations to reach a mutually beneficial agreement with its unionized employees, and is pleased with the planned resumption of talks with UNIFOR as of Friday morning, October 27th, as confirmed by Government of Canada’s Federal Mediation and Conciliation Services.

30. Record year for cruise at Port of Vancouver

The final cruise ship of the 2023 season, Holland America Line’s Koningsdam, will depart from the Canada Place cruise terminal at the Port of Vancouver tomorrow, marking the end of a robust year for the local cruise industry. The Port of Vancouver is expected to have welcomed an estimated 1.25 million passengers in 2023, a new record and a 54% increase compared to 2022. This includes 15 of Canada Place’s 20 busiest days ever for cruise passengers, all occurring in the past six months. There were 332 cruise ship calls between April and October 2023, a new record for the Canada Place cruise terminal and an increase of 9% compared to 307 visits in 2022. “Cruise returned to Vancouver emphatically this year after several seasons impacted by the global pandemic—with 2023 seeing record passenger numbers, near-record cruise ship visits and the Canada Place terminal getting further international recognition as a world-class cruise facility,” said Peter Xotta, vice president of operations and supply chain at the Vancouver Fraser Port Authority, the federal agency mandated to enable Canada’s trade through the Port of Vancouver.

31. On the front lines of the St. Lawrence Seaway strike: Ships — and crops — piling up

Steel, iron ore and wheat among the commodities awaiting pickup after strike by 350 seaway workers began. As he sits on his combine harvesting soybeans in Morrisburg, Ont., Warren Schneckenburger’s thoughts are 6,000 kilometres away, in Morocco. “I just don’t know how I’m going to get these beans over there right now,” said Schneckenburger, a third-generation farmer in the Eastern Ontario town on the banks of the St. Lawrence River. The beans have been piling up in silos Schneckenburger usually uses for corn. Ordinarily, they’d already be on a boat, winding their way down the St. Lawrence and eventually, out across the Atlantic Ocean.

RAIL TRANSPORTATION

1. Freight Rail Services Price Index, September 2023

Data for September 2023 for the Freight Rail Services Price Index (2018=100) are now available on Statistics Canada website. The index was 124.9 for the month of September 2023 compared to 121.5 for the month of August 2023 and 125.9 for the month of September 2022. For the third quarter of 2023, the index was 122.4 compared to 123.7 for the second quarter and 126.0 for the third quarter in 2022

2. CN On Track to Lower Carbon Intensity

Canada’s largest railway, CN, has nearly 20,000 route-miles of track, moving more than C\$250 billion of goods every year. As a leader in striving to reduce carbon intensity, the company has set bold carbon emissions reductions goals, which include a 43% reduction in carbon intensity as compared to a 2019 baseline, and reaching net zero by 2050. A key part of making these goals a reality is a transition to renewable fuels. For that, CN has turned to Chevron Renewable Energy Group.

3. STB to AAR on Reciprocal Switching: 15 More Days to Comment

The Surface Transportation Board (STB) has partially granted the Association of American Railroads’ (AAR) request to extend the comment period for the Notice of Proposed Rulemaking issued Sept. 7, 2023 in Docket No. EP 711 (Sub-No. 2), Reciprocal Switching for Inadequate Service. Meanwhile, Sens. Tammy Baldwin (D-Wis.) and Shelley Moore Capito (R-W.Va.) are encouraging STB Chairman Martin Oberman to “continue engaging with shippers as stakeholder comments are reviewed and the Board considers next actions.” While the AAR late last month called for a 90-day extension, which would allow comments until Feb. 20, 2024, the STB has decided on a 15-day extension, moving the comment period deadline from Oct. 23, 2023, to Nov. 7, 2023.

4. Toronto commute snarled for hours as rail network goes down

Workers in Canada’s largest city struggled to get home Tuesday, October 3, 2023 after the regional rail system was hit by a “network-wide system failure” caused by an internet collapse at Canadian National Railway Co.

RAIL TRANSPORTATION Canada

1. Freight Rail Services Price Index, September 2023, September 29, 2023, www.statcan.gc.ca
2. CN On Track to Lower Carbon Intensity, October 1, 2023, www.railwayage.com
3. STB to AAR on Reciprocal Switching: 15 More Days to Comment, October 3, 2023, www.railwayage.com
4. Toronto commute snarled for hours as rail network goes down, October 3, 2023, www.ajot.com
5. AAR: Rail Traffic Remains ‘Uncertain’, October 4, 2023, www.railwayage.com
6. CN Publishes Winter Plan for 2023-2024, October 5, 2023, www.cn.ca
7. Why we must address the interconnected harms to people, animals and ecosystems in train derailments, October 5, 2023, www.insidelogistics.ca
8. Rail dwells rising along West Coast amid shortage of available rail cars, October 5, 2023, www.jcc.com
9. Rail intermodal volumes stabilize in September, October 3, www.freightwaves.com
10. CN Presents Winter Plan, Safety Awards, October 6, 2023, www.railwayage.com
11. AAR: U.S. Rail Traffic Uptick Continues in Week 40, October 11, 2023, www.railwayage.com
12. Minister of Transport announces the launch of the Request for Proposals for the High Frequency Rail project, October 13, 2023, www.tc.gc.ca
13. CPKC, CSXT Advance Mexico-Texas-U.S. Southeast Corridor Plan, October 13, 2023, www.railwayage.com

Unusually long lines of people were still waiting for trains to depart downtown around 7 p.m. Toronto time. Metrolinx, the government agency that operates a sprawling rail and bus service between Toronto and its suburbs, said it was attempting to run trains every 30 minutes out of Union Station, Toronto’s central rail hub, which is located in the financial district. CN Railway, which manages rail corridors including Union Station, said it was experiencing an internet connectivity problem. “While there is no indication of a cyber security issue, the cause of the outage is currently under investigation,” spokesperson Jonathan Abecassis said by email. Intercity rail service run by Via Rail was also snarled, with trains from Toronto to Ottawa and cities in southwestern Ontario experiencing long delays. “GO trains, VIA trains in and out of Union Station, as well as CN’s customer service portal, all of which require an internet connection to CN’s servers, are currently impacted,” Abecassis said. “CN apologizes for the issue. We are working to get all services up and running safely and efficiently.”

5. AAR: Rail Traffic Remains ‘Uncertain’

“Rail traffic, although improving, remains in uncertain territory along with the economy,” Association of American Railroads (AAR) Senior Vice President John T. Gray reported Oct. 4, 2023. While intermodal had “the best volume month of the year in September,” he said, “a sustained boost across rail categories will require stronger overall industrial growth.” U.S. railroads originated 921,716 carloads in September 2023, up 2.3%, or

- 14. STB and Reciprocal Switching: Abject Regulatory Failure, October 16, 2023, www.railwavage.com
- 15. Rail Traffic for the Week Ending October 14, 2023, October 18, 2023, www.ajot.com
- 16. Kansas City Current and CPKC Announce Historic Stadium Naming Rights Agreement, October 19, 2023, www.cpkc.ca
- 17. CN Announces Long-Term Transportation Agreement with AltaGas, October 23, 2023, www.cn.ca; and CN, AltaGas Renew Long-Term Transportation Agreement, October 2, 2023, www.railwavage.com
- 18. CN Announces Third Quarter Results, October 24, 2023, www.cn.ca
- 19. Railway carloadings, August 2023, October 24, 2023, www.statcan.gc.ca
- 20. Texas North Western Railway Company receives Federal \$7.3 million grant, October 24, 2023, www.ajot.com
- 21. Adjusting Rail Car Safety Standards to Meet the Moment, October 26, 2023, www.bts.gov
- 22. Railway carloadings, August 2023, October 24, 2023, www.statcan.gc.ca
- 23. CPKC reports third-quarter results, October 25, 2023, www.cpkc.ca; CPKC 3Q23: ‘Challenges Weigh on Volumes’, October 25, 2023, www.railwavage.com
- 24. Canadian Pacific Kansas City Limited declares dividend, October 25, 2023, www.cpkc.ca

20,754 carloads, from September 2022, according to AAR’s latest rail traffic report covering September and the week ending Sept. 30, 2023. They also originated 1,008,896 containers and trailers last month, up 0.7%, or 7,096 units, from September 2022. Combined U.S. carload and intermodal originations last month were 1,930,612, up 1.5%, or 27,850 carloads and intermodal units from the same point in 2022. Canadian railroads reported 97,896 carloads for the week ending Sept. 30, 2023, up 2.1%, and 70,662 intermodal units, down 13.6% from the same week last year. For the first 39 weeks of 2023, they reported cumulative rail traffic volume of 6,175,243 carloads, containers and trailers, down 3.4%.

6. CN Publishes Winter Plan for 2023-2024

CN published its 2023-2024 Winter Plan. The document outlines the actions CN has taken to meet customer demand safely and efficiently during the winter months ahead. Tracy Robinson, Chief Executive Officer, CN said “Winter conditions bring unique challenges to every part of the supply chain, from production to market. CN’s Winter Plan seeks to anticipate those challenges, mitigate their impact, and facilitate quick recovery. But the resiliency and reliability of Canada’s end-to-end supply chain require us all to work together – coordinating our planning and aligning our execution. The Canadian economy, our customers, and Canada’s position as a reliable trading partner need and expect this level of collaboration.”

7. Why we must address the interconnected harms to people, animals and ecosystems in train derailments

On June 24, 2023, a train derailment in Montana caused a bridge to collapse, sending hot asphalt and molten sulfur spewing into the Yellowstone River. The derailment came nearly five months after the disastrous derailment near East Palestine, Ohio that raised awareness of rail transportation’s risks and prompted renewed efforts to increase rail safety measures. Here in Canada, we have seen comparable derailments in Ontario, Saskatoon — and the deadly Lac-Mégantic rail disaster in Québec in 2013. Still, rail companies continue to ignore safety warnings, cut corners on safety measures, and make job cuts. Notably, most discussions surrounding derailments focus on the impacts to people, minimizing the importance and interconnections of harms to non-human species. However, paying close attention to the harms caused to animals and the environment can create a more accurate picture of damage in a disaster context.

8. Rail dwells rising along West Coast amid shortage of available rail cars

Marine terminal operators in Los Angeles-Long Beach and the Pacific Northwest are dealing with an increase in rail container dwell times due to an east-west imbalance in rail equipment that has worsened in recent weeks.

9. Rail intermodal volumes stabilize in September

September was the highest month in 2023 for U.S. intermodal traffic, finding support in the peak season, according to the Association of American Railroads. U.S. freight railroads originated 1 million containers and trailers in September 2023, a 0.7% increase from September 2022. Year-over-year (y/y) comparisons so far this year have had intermodal volumes trailing year-ago levels. “Intermodal had the best volume month of the year in September, showing, after three years, that ‘peak season’ still exists although much more reserved and occurring somewhat later than past peaks,” AAR Senior Vice President John T. Gray said in a Wednesday, October 4, 2023 release.

10. CN Presents Winter Plan, Safety Awards

CN on Oct. 5 released its 2023-24 Winter Plan on the preparations under way to meet customer demand, as well as its 30th-annual Safe Handling Award honorees. The CN Winter Plan is prepared and submitted to the Minister of Transport each year in accordance with, and as required by, section 151.01(2) of the Canada Transportation Act. According to CN, the actions described in the Plan are designed to maximize safety, efficiency and car utilization, and are shaped by four thematic objectives: 1. Working safely. 2. Meeting customer needs. 3. Improving network performance. 4. Improving network reliability

11. AAR: U.S. Rail Traffic Uptick Continues in Week 40

For the week ending Oct. 7, 2023 (Week 40), total U.S. rail traffic was 499,217 carloads and intermodal units, up 3.0% from the prior-year period, the Association of American Railroads (AAR) reported Oct. 11. It is the fourth consecutive week of gains for carloads and intermodal units. Total carloads for the week ending Oct. 7, 2023, were 233,768 carloads, rising 3.6% compared with the same week last year, and U.S. weekly intermodal volume was 265,449 containers and trailers, increasing 2.5% compared with 2022. Canadian railroads reported 96,488 carloads for the week, up 2.6%, and 72,277 intermodal units, down 11.8% compared with the same week in 2022. For the first 40 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 6,344,008 carloads, containers and trailers, down 3.4%.

12. Minister of Transport announces the launch of the Request for Proposals for the High Frequency Rail project

On October 13, 2023, the Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, announced the launch of the Request for Proposals (RFP), for the High Frequency Rail project which will be the largest Canadian infrastructure project in generations. The RFP process will be ongoing until summer 2024. Following the evaluation period, the Government of Canada will select the group who will become the private developer partner to work collaboratively with VIA HFR to design and develop the High Frequency Rail project. Once operational, the rail line will span the Québec City to Toronto corridor with dedicated passenger tracks. This transformational project will provide clean, safe, and efficient travel, drive our economy, and strengthen our partnerships with Indigenous communities.

13. CPKC, CSXT Advance Mexico-Texas-U.S. Southeast Corridor Plan

Canadian Pacific Kansas City (CPKC) and CSX Transportation are seeking Surface Transportation Board (STB) approval to establish a new interchange connection in Alabama and freight corridor linking Mexico, Texas and the U.S. Southeast.

14. STB and Reciprocal Switching: Abject Regulatory Failure

Professor Nolan provides his view on reciprocal switching. For a complete analysis please examine this article. Up in Canada in the railroad sector there exists have a long-standing regulation known as interswitching. Like reciprocal switching, interswitching is a form of regulated access, whereby a sole-served shipper can request that a competing railroad be permitted to operate on the host railroad to pick up traffic. In Canada, the implementation of this regulation is not governed by operational concerns, but rather by location. Today, so long as the switching point to a competing railway is within a 30 km (18 mile) radius of the shipper, interswitching is granted and subject to a set of regulated rates, based on car numbers and distance. My best guess is that like the old reciprocal switching, the new one will never be implemented in support of shippers. The reciprocal switching notice is simply a massive regulatory failure by an agency apparently unwilling to provide either the effort or public service for which it exists. Reciprocal switching in the U.S., if alternatively implemented as in Canada, would never ruin a railroad financially and simply allows a more equitable sharing of rents by shippers and carriers on a case-by-case basis.

15. Rail Traffic for the Week Ending October 14, 2023

The Association of American Railroads (AAR) reported U.S. rail traffic for the week ending October 14, 2023. For this week, total U.S. weekly rail traffic was 492,781 carloads and intermodal units, up 0.5 percent compared with the same week last year. Total carloads for the week ending October 14 were 225,405 carloads, down 2.0 percent compared with the same week in 2022, while U.S. weekly intermodal volume was 267,376 containers and trailers, up 2.8 percent compared to 2022. Six of the 10 carload commodity groups posted an increase compared with the same week in 2022. Canadian railroads reported 94,482 carloads for the week, down 2.4 percent, and 69,104 intermodal units, down 12.1 percent compared with the same week in 2022. For the first 41 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 6,507,594 carloads, containers and trailers, down 3.5 percent.

16. Kansas City Current and CPKC Announce Historic Stadium Naming Rights Agreement

The Kansas City Current and CPKC are proud to announce the first stadium for a women's professional sports team built in the world will officially now be known as CPKC Stadium. The historic 10-year naming rights agreement is a continuation of CPKC's long-established legacy of investing in women's professional sports and a groundbreaking commitment to the Kansas City community. CPKC, which has its U.S. corporate headquarters in Kansas City, was created with the combination of two historic railways – Canadian Pacific (CP) and Kansas City Southern (KCS). The two companies combined on April 14, 2023 to form the first truly North American rail network connecting Canada, the U.S. and Mexico.

17. CN Announces Long-Term Transportation Agreement with AltaGas

Canadian National Railway Company (CN), on October 23, 2023 announced a renewed and expanded 5-year transportation agreement with AltaGas. The agreement leverages CN's exclusive access to the Port of Prince Rupert. The Port offers strategic advantages for rail customers expanding their business, including reduced port congestion, state-of-the-art export and import terminals, and materially shorter transit times to key markets. Tracy Robinson, CN President and Chief Executive Officer said "CN is proud to support the Canadian economy and the growth of our customer AltaGas. By selling into our capacity and taking advantage of our unique network reach, we are confident in our ability to accelerate sustainable, profitable growth. AltaGas is pleased to solidify our renewed transportation agreement with CN. The agreement provides AltaGas and our customers with cost and service predictability to continue to support ongoing resource development across Western Canada and provide our key downstream customers with energy security to support economic activity and fuel everyday life."

18. CN Announces Third Quarter Results

For CN, the results for the third quarter of 2023 compared to the same quarter in 2022 were as follows: net income decreased 23.3% to C\$1,108 million compared with net income of C\$1,445 million, and income per diluted share decreased to C\$1.69 (or -20.66%), compared to C\$2.13 per diluted share; revenues decreased 11.65 per cent to C\$3,987 million compared to C\$4,513 million; operating income decreased 21.48 per cent to C\$1,517 million compared to C\$1,932 million; operating expenses decreased 4.30% to C\$ 2,470 million from C\$2,581 million; and the operating ratio (i.e. operating expenses / revenues - an indicator of financial efficiency) increased (i.e. efficiency fell) by 2.8 points to 62.0 from 57.2. CN announced on July 25, 2023 that its Board of Directors has approved a third-quarter 2023 dividend of seventy-nine cents (C\$0.7900) per common share compared to seventy-three cents (C\$0.7325).

19. Railway carloadings, August 2023

In August 2023, Canadian railways transported 30.6 million tonnes of freight, down 2.4% from August 2022 levels and marking the fourth consecutive month of year-over-year decline. The overall freight volume in August 2023 was just below the five-year average of 31.5 million tonnes for this month. While shipments of containers and certain energy products were down significantly, carloadings of some agricultural and food products registered strong gains. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." The decline in total freight carried in August 2023 reflected lower volumes across all types of rail operations: non-intermodal loadings (mainly commodities) and intermodal loadings (mainly containers), as well as freight traffic from connections with American railways. Intermodal shipments originating from Canada led the overall decline in freight for the second month in a row in August, falling 11.6% year over year to 2.9 million tonnes. Container volumes have declined year over year for nine straight months, and August 2023 was the second-lowest volume recorded for this month in seven years.

20. Texas North Western Railway Company receives Federal \$7.3 million grant

The Texas North Western Railway Company (TXNW), a subsidiary of TNW Corporation of Dallas, has been awarded \$7.3 million for rail line improvements from the Department of Transportation's (DOT) Federal Railroad Administration's (FRA) Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. TXNW will provide matching funds for the project.

21. Adjusting Rail Car Safety Standards to Meet the Moment

In September 2023, the Bureau of Transportation Statistics (BTS) published the [Fleet Composition of Rail Tank Cars Carrying Flammable Liquids: 2023 Report](#). As noted in BTS' [release](#), the number of tank cars that reached the U.S. Department of Transportation's (DOT) safety standards was greater in 2022 than in previous years. After the train derailment in East Palestine, Ohio, DOT's Pipeline and Hazardous Materials Safety Administration's and Federal Railroad Administration issued a [joint notice urging tank car manufactures to move up their safety deadlines by four years to 2025](#). When the [Fixing America's Surface Transportation \(FAST\) Act](#) was enacted on December 4, 2015, rail car manufacturers were required to meet a commodity-specific phase-out schedule to build and retrofit cars concluding on May 1, 2029. BTS data shows that the rail fleet continues to meet compliance standards as required by the FAST Act. Congress is considering accelerating the FAST Act deadlines for compliance, as the U.S. Senate introduced the

[Railway Safety Act](#) (RSA), to address safety requirements for rail carriers and trains transporting hazardous materials. RSA would move the deadline for a large number of tank cars up by four years to May 1, 2025.

22. Railway carloadings, August 2023

In August 2023, Canadian railways transported 30.6 million tonnes of freight, down 2.4% from August 2022 levels and marking the fourth consecutive month of year-over-year decline. The overall freight volume in August 2023 was just below the five-year average of 31.5 million tonnes for this month. While shipments of containers and certain energy products were down significantly, carloadings of some agricultural and food products registered strong gains. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." The decline in total freight carried in August 2023 reflected lower volumes across all types of rail operations: non-intermodal loadings (mainly commodities) and intermodal loadings (mainly containers), as well as freight traffic from connections with American railways. Intermodal shipments originating from Canada led the overall decline in freight for the second month in a row in August, falling 11.6% year over year to 2.9 million tonnes. Container volumes have declined year over year for nine straight months, and August 2023 was the second-lowest volume recorded for this month in seven years.

23. CPKC reports third-quarter results

Canadian Pacific Kansas City (CPKC) on October 25, 2023 announced its third-quarter results, including revenues of \$3.3 billion, diluted earnings per share ("EPS") of \$0.84 and core adjusted combined diluted EPS of \$0.92. "We are now more than six months into the CPKC story, and I am pleased with the progress we continue to make in unlocking the value of this unrivalled truly North American network," said Keith Creel, CPKC President and Chief Executive Officer. "While we encountered challenges this quarter due to a softer macro-economic environment and external labor disruptions, we remain focused on safely delivering for our customers across this powerful franchise." Third quarter 2023 results were as follows: 1. Reported operating ratio (OR) increased by 540 basis points to 64.9 percent from 59.5 percent in Q3 2022; 2. Core adjusted combined OR increased 190 basis points to 61.7 percent from 59.8 percent in Q3 2022; 3. Reported diluted EPS decreased to \$0.84 from \$0.96 in Q3 2022; 4. Core adjusted combined diluted EPS decreased to \$0.92 from \$1.01 in Q3 2022; 5. Federal Railroad Administration (FRA)-reportable train accident frequency declined nine percent to 1.30 from 1.43 in Q3 2022 on a combined basis; 6. FRA-reportable personal injury frequency declined 35 percent to 0.97 from 1.50 in Q3 2022 on a combined basis.

24. Canadian Pacific Kansas City Limited declares dividend

The Board of Directors of Canadian Pacific Kansas City Limited (CPKC) on October 25, 2023 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares. The dividend is payable on Jan. 29, 2024, to holders of record at the close of business on Dec. 29, 2023, and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

HIGHWAY TRANSPORTATION

1. Purolator reveals carriers of the year

Armour Transportation Systems received Purolator's Eastern Canada Safety Award, Ayr Motor Express received Purolator's Eastern Canada Service Award, and I.S. Cargo received both Purolator's Western Canada Safety and its Western Service Award. "We are delighted to recognize these top-performing linehaul carriers that go above and beyond to provide exceptional customer service and prioritize safety in their processes and results," said Joe Lombardo, vice-president, network operations, Purolator.

2. Blue Water Bridge work to end early

Rehabilitation work on the First Blue Water Bridge will be completed a couple of days ahead of schedule on Oct. 3, 2023 instead of the planned Oct. 5, 2023 end date, the Federal Bridge Corporation (FBC) said in a news release. The project on the span which connects Point Edward, Ont., to Port Huron, Mich., commenced earlier this year and focused on a range of improvements to enhance the bridge's structural integrity. These included strengthening cross beams and replacing bearings, replacing expansion joints, conducting concrete deck repairs, and waterproofing the bridge deck followed by asphalt repaving of the Canadian portion of bridge. "We couldn't be happier to unveil the newly revitalized First Blue Water Bridge," said Natalie Kinloch, chief executive officer at FBC. "The credit for this early completion goes to our talented team, skilled workers and committed partners. Their extraordinary efforts have ensured timely work of utmost quality, and a safe crossing for our bridge users."

3. Uber Freight taps AI to help compete in tough cargo market

With cargo shipments falling in the post-pandemic era, some shippers have turned to artificial intelligence to boost efficiency. The freight unit of Uber Technologies Inc. has tapped its vast data files to use AI to predict late shipments — and make suggestions for alternative routes. On Thursday, September 28, 2023, Uber Freight also introduced Insights AI, which it says will allow customers to make queries that could normally take days for workers to compile, such as routes with the worst on-time performance and the causes. The company also has AI embedded in its service that will allow shippers to estimate arrival times more precisely. The AI offering is the culmination of Uber Freight's transformation from a startup digital cargo broker in 2017 to a full-service transportation handler. The change was accelerated with the \$2.25 billion acquisition of freight manager Transplace in 2021 and a \$120 million investment to upgrade its systems to tap into data from the \$18 billion worth of annual cargo movements it manages. The goal, Uber Freight Chief Executive Officer Lior Ron said in an interview, will be for users to know "what's happening across their organization in terms of service, cost, the operation; and then be able to take action on that in a very intuitive way." Uber Freight's parent company doubled down on its broader commitment to technology on Wednesday, September 27, 2023 with its announcement that a semiconductor executive, Prashanth Mahendra-Rajah, will become its new chief financial officer.

4. Couriers and Messengers Services Price Index, August 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for August 2023 on Statistics Canada website. The index for August 2023 was 130.2 compared to 127.4 for the month of July 2023 and 129.6 for August 2022.

5. ATRI Research Delves Into Challenges for Women Drivers

The American Transportation Research Institute (ATRI) is initiating research on the challenges facing women truck drivers as well as barriers that discourage women from considering a career as a truck driver. The Canadian trucking Alliance is a member of ATRI. The comprehensive

HIGHWAY TRANSPORTATION Canada

1. Purolator reveals carriers of the year, September 28, 2023, www.insidelogistics.ca
2. Blue Water Bridge work to end early, September 28, 2023, www.todaystrucking.com
3. Uber Freight taps AI to help compete in tough cargo market, September 28, 2023, www.ajot.com
4. Couriers and Messengers Services Price Index, August 2023, September 29, 2023, www.statcan.gc.ca
5. ATRI Research Delves Into Challenges for Women Drivers, September 29, 2023, www.cantruck.ca
6. Alternate delivery model gains traction in US but has ways to go, October 2, 2023, www.freightwaves.com
7. Biden-Harris Administration Opens Applications for Nearly \$10 Billion in Funding to Improve Nation's Bridges Saturday, September 30, 2023, www.dot.gov
8. DHL Express raises US rates by 5.9%, October 2, 2023, www.freightwaves.com
9. Hydrolux plans truck hydrogen fueling station network in Quebec, October 4, 2023, www.todaystrucking.ca
10. CTA White Paper to Discuss Decarbonization Realities and Journey Towards a Zero-Emission Future for Heavy Trucks, October 5, 2023, www.ontruck.ca
11. Unifor GM workers go on strike at 3 Ontario plants, October 10, 2023, www.financialpost.ca
12. Quebec leasing company offering 10 electric trucks, October 6, 2023, www.insidelogistics.ca
13. Economic Trucking Trends: Fleets jump at chance to place '24 truck orders, October 6, 2023, www.todaystrucking.com
14. Minister of Transport announces new penalties for companies or individuals who violate the *Motor Vehicle Safety Act*, October 6, 2023, www.tc.gc.ca
15. Uber Freight's new solutions: Rebuilt TMS, procurement, wide AI use, October 11, 2023, www.freightwaves.com
16. Economic Trucking Trends: Canada's spot market volumes strengthen, but U.S. rates fall further, October 13, 2023, www.todaystrucking.ca
17. Motive's Holiday Outlook Report forecasts continued challenges for carriers, October 15, 2023, www.todaystrucking.com
18. Year-on-year gain in J.B. Hunt intermodal volumes highlight of overall weak quarter, October 17, 2023, www.freightwaves.com
19. Modal Profiles: U.S. Freight Transportation with Canada, Mexico, and China, October 19, 2023, www.bts.gov
20. Urban public transit, August 2023, October 19, 2023, www.statcan.gc.ca
21. Costs of fuel fraud continue to climb, October 18, 2023, www.todaystrucking.com
22. Ontario Building More Electric Vehicle Charging Stations, October 20, 2023, www.mto.gov.on.ca
23. Mullen posts strong Q3, sees balance returning to freight markets, October 24, 2023, www.todaystrucking.ca
24. Cost control, efficiency the name of the game

study will also identify strategies for overcoming industry issues faced by women. Previous ATRI research has confirmed that women make up only 8.1 percent of all U.S. truck drivers, and only 2.7 percent of over-the-road truck drivers. In response, the ATRI Research Advisory Committee prioritized this new women-focused research initiative at its 2023 Annual Meeting.

6. Alternate delivery model gains traction in US but has ways to go

Somewhere between theory and practice lies a segment of the parcel-delivery market known as “out-of-home” service. Through parcel lockers, designated pickup locations, local stores or a combination of all three, carriers and merchants look to save time, money, cut carbon emissions and reduce porch pilferage, all the while making it as convenient as possible for end consumers to get their packages. A lot depends on density of population nevertheless the full acceptance of this alternative delivery model needs further improvement before it becomes fully acceptable.

7. Biden-Harris Administration Opens Applications for Nearly \$10 Billion in Funding to Improve Nation’s Bridges Saturday, September 30, 2023

The U.S. Department of Transportation’s Federal Highway Administration opened applications for nearly \$10 billion in funding for fiscal years 2023-2026 through the competitive Bridge Investment Program’s “Large Bridge Project” category, which funds projects larger than \$100 million. The Bridge Investment Program was established by the President’s Bipartisan Infrastructure Law, which makes the single largest dedicated investment in bridges since the construction of the Interstate highway system: a total of \$40 billion over five years to help ensure that some of the nation’s most important bridges remain safe and operational, meet current and future traveler needs, support local economies, strengthen our supply chains, and create good-paying jobs across the country.

8. DHL Express raises US rates by 5.9%

DHL Express, the international air delivery service of DHL, will impose a 5.9% general rate increase on its U.S.-originating shipments in 2024. The rate increase takes effect Jan. 1, 2024. The increase is 200 basis points above the 7.9% increase that DHL Express imposed on shipments tendered during 2023. The 2024 increase matches the 5.9% rate increases imposed by UPS Inc. and FedEx Corp.

9. Hydrolux plans truck hydrogen fueling station network in Quebec

Quebec-based Hydrolux has unveiled the Trans-Québec 1 project, which will consist of seven green hydrogen refueling stations across the province for heavy trucks. This builds on its Project 117, which included establishing two refueling stations, one in Val-d’Or and the other in Saint-Jérôme. The Trans-Québec 1 stations will be installed in the municipalities of Val-d’Or, Saint-Jérôme, Lévis, Saguenay, Rivière-du-Loup, Mont-Laurier and Coteau-du-Lac. Each of the stations will be equipped with a 5-megawatt electrolyzer with capacity that can be doubled to follow the growth in demand. “With its seven stations, the Trans-Québec 1 project will become the backbone of green hydrogen refueling for heavy transport in Quebec, thereby contributing to the growth of this sector necessary for the decarbonization of heavy transport,” said Friedrich Dehem-Lemelin, president and CEO of Hydrolux.

10. CTA White Paper to Discuss Decarbonization Realities and Journey Towards a Zero-Emission Future for Heavy Trucks

As new proposed emissions regulations for heavy trucks are set for Canada in 2024, the Canadian Trucking Alliance (CTA) is working with member fleets and suppliers to tell the story of decarbonization in our sector and our journey towards zero-emission vehicles. CTA believes the Government of Canada must understand our sector’s commitment to finding solutions to reducing emissions, while also capturing how these technologies are currently being deployed by fleets and their operational and technological performance within the varied Canadian landscape. CTA’s report will capture what decarbonization efforts are currently happening across Canada, with these real-life experiences helping to guide future discussions with CTA’s Board, including what targets future regulations should contain and realistic timelines for these regulations to come into force.

11. Unifor GM workers go on strike at 3 Ontario plants

Unifor workers have kicked off a strike at General Motors Co. in Canada after failing to reach a new contract with the U.S. automaker. Unifor national president Lana Payne said in a statement early Tuesday, October 10, 2023 that GM has refused to meet the pattern agreement the union negotiated with Ford Motor Co. of Canada. “The company knows our members will never let GM break our pattern — not today — not ever,” Payne said. “The company continues to fall short on our pension demands, income supports for retired workers, and meaningful steps to transition temporary workers into permanent, full-time jobs.” The union said its members will remain on strike until the pattern agreement, as established in the ratified collective agreement with Ford, is met. Unifor blames the strike on GM’s unwillingness to agree on union demands on pensions and other supports for those retiring.

12. Quebec leasing company offering 10 electric trucks

for TFI International, October 24, 2023, www.todaystrucking.ca

25. USDOT Opens \$40 Million Grant Opportunity for Connected Vehicle Technologies That Will Help Save Lives on Our Nation’s Roadways, October 26, 2023, www.dot.gov

26. Trucking congestion costs hit record \$94.6B, October 25, 2023, www.freightwaves.com

27. Trucking capacity still too high, but spring could bring relief: Costello, October 26, 2023, www.todaystrucking.com

Brossard Leasing is putting 10 heavy duty electric trucks into its fleet. It is collaborating with Cleo, a subsidiary of Hydro-Québec that specializes in customized charging management for commercial fleets, and GLOBOCAM, heavy-duty vehicle dealership and expert in electric vehicles. GLOBOCAM will buy five Freightliner eCascadia Class 8 trucks equipped with a 438 kWh battery and equivalent to a 470 HP engine, and five Freightliner eM2 Class 7 trucks equipped with a 291 kWh battery and equivalent to a 255 HP engine.

13. Economic Trucking Trends: Fleets jump at chance to place '24 truck orders

Truck makers saw a surge in Class 8 orders as they fully opened 2024 order books last month — something industry analysts anticipated but nonetheless were encouraged to see. The spot market also continued to slowly improve, with flatdeck leading the way, while reefer rates continued to struggle. And aftermarket parts demand is weak, according to newly released data. It's expected to remain below trend for the foreseeable future, too.

14. Minister of Transport announces new penalties for companies or individuals who violate the *Motor Vehicle Safety Act*

On October 6, 2023, the Minister of Transport, Pablo Rodriguez, announced the coming into force of regulations allowing Transport Canada to fine persons or companies who violate the *Motor Vehicle Safety Act*. Under the new regulations, penalties (which are similar to fines) can range up to \$4,000 for an individual violating the Act, and up to \$200,000 for a company. Examples of possible violations that could lead to penalties include: 1. A company or a person importing vehicles, child car seats, or tires that don't meet Canadian safety standards; 2. A company becoming aware of a safety defect in their products and not issuing a recall promptly, or issuing a recall that fails to adequately fix the problem; or 3. A manufacturer failing to adequately test their products to ensure they meet applicable Canadian safety standards. Penalties would apply per violation, meaning they could be stacked for multiple violations. For severe violations affecting multiple vehicles, tires, child restraint systems and booster seats, and certain types of equipment for use in the restraint of disabled persons – or those occurring over multiple days – Transport Canada could issue several penalties.

15. Uber Freight's new solutions: Rebuilt TMS, procurement, wide AI use

The Uber Freight acquisition and integration of Transplace in 2021 has moved to a higher level with the announcement of a suite of products that touches both sides of the combined company. Uber Freight rolled out the new offerings late last month at its Deliver user conference in San Diego. CEO Lior Ron, in a media briefing held in conjunction with the conference, said the company was “doubling down on our technology.” At the heart of the new offerings — and the one that most closely aligns with the capabilities brought to Uber Freight by the acquisition of Transplace — is an update of the Uber Freight TMS.

16. Economic Trucking Trends: Canada's spot market volumes strengthen, but U.S. rates fall further

This week we have encouraging news regarding the Canadian spot market, with more loads available and fewer truck postings competing for those loads. But in the U.S. spot market rates continue to fall, weighed down by the flatbed segment. ACT Research, meanwhile, is lowering expectations for the truck and trailer market as we head into 2024. Canada's spot market load volumes increased for the second straight month in September, while equipment postings declined. It's the first time Loadlink Technologies reported two consecutive months of rising load volumes since December 2022 and January 2023. Cross-border loads into Canada decline, while intra-Canada and cross-border loads to the U.S. rose.

17. Motive's Holiday Outlook Report forecasts continued challenges for carriers

Motive's first ever Holiday Outlook Report paints a fairly grim picture of the trucking conditions, as higher fuel prices and soft freight squeeze truckers. Presenting the report at a press event at the American Trucking Associations (ATA) Management Conference & Exhibition, Hamish Woodrow pointed to a strong correlation between rising diesel prices and financial stress for carriers. “Financial stress and diesel prices are tight correlated,” he said, noting diesel prices have risen 18% since July in the U.S., and as much as 25% in California and 24% in Texas. When this happens, Motive sees a corresponding rise in financial stress measured by the number of payment delays by carriers.

18. Year-on-year gain in J.B. Hunt intermodal volumes highlight of overall weak quarter

J.B. Hunt's intermodal segment, the largest revenue producer in the company, showed year-on-year volume growth in the third quarter ending Sept. 30, 2023 a rare sign of upturn in an otherwise tough quarter. While revenue was down compared to the corresponding quarter in 2022, volumes were up 1% year on year, an increase that received both an internal and external notice in looking for positives in the quarterly earnings. In a quick email blast after the earnings were released on October 17, 2023, Amit Mehrotra of Deutsche Bank said his team was “encouraged by the return to intermodal volume growth,” but that “we need to see more to offset the pressure on pricing and cost inflation.”

19. Modal Profiles: U.S. Freight Transportation with Canada, Mexico, and China

The United States economy relies on a unique mix of transportation modes that enable freight flows with each of its 3 biggest trading partners. Land transportation plays a larger role in moving international trade with Canada and Mexico while aviation and water play a larger role in linkages with China. Trucks carried 55 percent of freight between Canada

and the United States in 2022, while pipelines accounted for 18 percent and rail 16 percent. Vessel and air modes accounted for 6 and 5 percent, respectively. Trucks carried an even larger share of freight between Mexico and the United States in 2022, accounting for 71 percent of total trade while rail and vessel carried 12 percent each, air 3 percent, and pipelines 2 percent.

20. Urban public transit, August 2023

In August 2023, ridership on Canada's urban transit networks continued to recover, reaching 118.5 million passenger trips. For the first time since the onset of the COVID-19 pandemic, passenger volume recovered over four-fifths (81.1%) of the pre-pandemic level from the same month in 2019, after a brief pause in growth in July 2023.

21. Costs of fuel fraud continue to climb

Fuel fraud is on the rise and trucking companies are struggling to stay ahead of the growing problem. Hemant Banavar, vice-president of financial products with Motive, addressed the issue at the American Trucking Associations' Management Conference & Exhibition in Austin, Texas this week, dubbing fuel theft a "silent epidemic in this industry today." "Costs are rising on every front," Banavar said, adding "2022 was the most expensive year to be in the fleet business."

22. Ontario Building More Electric Vehicle Charging Stations

The Ontario government is providing more funding to build thousands of new electric vehicle charging stations in small and medium-sized communities, making it easier and more convenient to charge up outside of large urban centres and giving drivers the confidence they need to transition to electric vehicles. "Building more public charging stations is part of our government's plan to be a global leader in the electric vehicle industry and provide more travel options for commuters," said Prabmeet Sarkaria, Minister of Transportation. "The EV ChargeON program will help get more electric vehicles on the road by building the infrastructure needed to support them, while securing a better future for Ontario." Starting on October 20, 2023, the province is accepting applications for the EV ChargeON program to build publicly accessible charging stations in communities with less than 170,000 people, as well as in any Indigenous community in Ontario. Eligible applicants include businesses, not-for-profit corporations, municipalities, Indigenous businesses, organizations and communities, and broader public sector organizations like hospitals and universities.

23. Mullen posts strong Q3, sees balance returning to freight markets

Mullen Group shrugged off a freight recession in the third quarter, posting strong Q3 net income of \$39.1 million, up 2.9% year over year. Revenue slid 2.8% to \$504 million, but \$20.3 million of that revenue decline was chalked up to reduced fuel costs and a reduction in fuel surcharge revenue. "Throughout the first nine months of 2023 the economy has endured a period of adjustment due to the rapid rise in interest rates and tighter monetary policy, a deliberate attempt by central bank authorities to reign in inflationary pressures," Murray Mullen, the company's senior executive officer, said in a press release.

24. Cost control, efficiency the name of the game for TFI International

TFI International saw revenues and net income slide in the third quarter, largely due to softer freight volumes and the divestiture of its U.S. truckload business, CFI, last August. Total revenue slid from \$2.24 billion (all figures USD) in Q3 2022 to \$1.91 billion this year. Profit came in at \$133.3 million, compared to \$245.2 million a year ago. Revenues were down a respective 12% for the package and courier segment, 15% for LTL, and 25% for truckload, while logistics revenue was flat. The company indicated much of the truckload decline was due to last year's sale of CFI. "We executed well during this stretch of weaker demand as our team was able to quickly adapt to changing market conditions while further streamlining operations," chairman and CEO Alain Bedard said in a press release. Speaking to analysts on an earnings conference call, Bedard said he was proud of the company's "solid execution" despite weaker market conditions in the quarter. He expects market conditions to improve slightly in the fourth quarter compared to Q3. "We anticipate 2024 is probably going to be a transition year," he said, when asked where the industry is in the current freight cycle, citing the U.S. election and war in Europe as unknowns. "I'm convinced 2024 will be a better year than 2023 for us, but it's hard to have a good feel for how good this is going to be." In terms of U.S. truckload, Bedard said the segment is at the bottom, but how long it will take to get up off the mat is unknown.

25. USDOT Opens \$40 Million Grant Opportunity for Connected Vehicle Technologies That Will Help Save Lives on Our Nation's Roadways

On October 26, 2023, the U.S. Department of Transportation's Federal Highway Administration (FHWA) announced that it is accepting applications under the \$40 million Saving Lives with Connectivity: Accelerating V2X Deployment grant opportunity to advance connected and interoperable vehicle technologies. The initiative is focused on road safety, mobility, and efficiency through technology that enables vehicles and wireless devices to communicate with each other and with roadside infrastructure and provide warnings. V2X can contribute to the [Safe System Approach](#) adopted by the

26. Trucking congestion costs hit record \$94.6B

Congestion cost trucking companies a record \$94.6 billion in 2021, according to [a new study](#) published by the American Transportation Research Institute, with Nevada, Louisiana, Georgia and California seeing the biggest rate

increases from a 2016 baseline. “Whether it is recurring congestion or incident-related, the result is reduced capacity and a slowdown in vehicle speeds, which adds time to a trip,” stated ATRI, a nonprofit trucking research group, in its first congestion study update since 2018. “These delays increase the trucking industry’s operational costs. Traffic congestion increases direct industry costs such as driver compensation, fuel, and repair and maintenance. It also generates indirect and/or societal costs such as supply chain disruptions, inefficient use of fuel and diminished air quality.”

27. Trucking capacity still too high, but spring could bring relief: Costello

Bob Costello, chief economist with the American Trucking Associations (ATA), visited the Isaac Instruments user conference this year with a grim economic outlook, but also one that contained hints of opportunities. “This is a unique cycle,” he told attendees, noting the unprecedented spike in GDP in 2021 came from pumping trillions of dollars into the economy. “That was the party, now it’s the hangover.” U.S. GDP has since returned to normal growth levels closer to 2%, but about 70% of what comprises GDP is related to services that don’t move by truck. To get a more accurate read on the health of the trucking industry, Costello prefers to look at the goods economy, including household consumption, as well as construction and industrial activity. Goods consumption spiked an unprecedented 12% during the pandemic when consumers couldn’t spend their money on experiences, such as travel, events, or dining out. “People had a ton of money to spend. The U.S. government started throwing money out to folks,” Costello explained, noting consumers were at one time sitting on US\$2 trillion in savings. “Households have completely spent that down now.” The good news is Costello said retail inventories are mostly worked through. Excess inventories were serving as a headwind to truck freight.

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, second quarter 2023

Tourism spending in Canada grew 1.9% in 2023 the second quarter, following a 2.6% increase in the 2023 first quarter. Tourism gross domestic product (+1.2%) and jobs attributable to tourism (+1.3%) also rose in the 2023 second quarter. The growth in tourism spending was mainly the result of an increase in passenger air transport (+6.8%). The rise was partially offset by a 6.9% decline in pre-trip expenses, such as recreational vehicles, pleasure crafts and camping equipment. Tourism GDP grew 1.2% in the 2023 second quarter, following a 2.2% increase in the previous quarter. Transportation services (+5.0%) contributed the most to the growth in tourism GDP and was partially offset by a decline in accommodation services (-0.6%). With economy-wide GDP flat in the second quarter, tourism's share of GDP increased to 1.70%. Employment attributable to tourism rose 1.3% in the 2023 second quarter, following a 2.8% increase in the previous quarter. Employment in accommodation (+2.0%) and air transportation (+3.1%) services were the largest contributors to growth in the 2023 second quarter. Tourism's share of employment increased to 3.35%, while overall employment in Canada rose 0.1%.

2. Department of Transportation Joins Seven Other Federal Agencies Working to Combat Religious Discrimination

As described in the recently published National Strategy to Counter Antisemitism, on September 28, 2023, the U.S. Department of Transportation joined seven other Federal agencies – the Departments of Agriculture, Labor, Health and Human Services, Housing and Urban Development, Homeland Security, Interior, and Treasury – to release its first-ever fact sheet clarifying that Title VI of the Civil Rights Act of 1964 prohibits discrimination based on actual or perceived ancestry or ethnic characteristics and prohibits certain forms of antisemitic, Islamophobic, and other religiously biased behavior in federally supported programs and activities. In work to fight religious discrimination and antisemitism, DOT makes clear that individuals are protected from discrimination based on how they look or sound on nation’s transportation systems.

GENERAL TRANSPORTATION

Canada

1. National tourism indicators, second quarter 2023, September 28, 2023, www.statcan.gc.ca
2. Department of Transportation Joins Seven Other Federal Agencies Working to Combat Religious Discrimination, September 28, 2023, www.dot.gov
3. Biden-Harris Administration Announces New Climate and Transportation Research Funding, October 3, 2023, www.dot.gov
4. Canadian international merchandise trade, August 2023, October 5, 2023, www.statcan.gc.ca
5. September 2023 U.S. Transportation Sector Unemployment (4.9%) Rises Above the September 2022 Level (4.3%) And the Pre-Pandemic September 2019 Level (3.3%), October 6, 2023, www.bts.gov
6. Leading indicator of international arrivals to Canada, September 2023, October 12, 2023, www.statcan.gc.ca
7. August 2023 Freight Transportation Services Index (TSI) Up 0.2% from the Previous Month and Down 1.9% from the Same Month Last Year, October 12, 2023, www.bts.gov
8. U.S. Department of Transportation Advances America’s Infrastructure with Expanded Regional Grants, October 13, 2023, www.dot.gov
9. Traffic Flow Dashboard, October 16, 2023, www.statcan.gc.ca
10. Commission aims to cut plastic pellet release by 74%, October 16, 2023, www.europa.eu
11. Three growth markets in a declining warehouse automation sector, October 18, 2023, www.insidelogistics.ca
12. Freight demand plummets as global trade falls to 18 month low, October 18, 2023, www.ajot.com
13. Travel arrangement services, 2022, October 19, 2023, www.statcan.gc.ca
14. Travel between Canada and other countries, August 2023, October 23, 2023, www.statcan.gc.ca
15. What shippers need to know to succeed in Mexico in 2024, October 24, 2023, www.freightwaves.com
16. Logistec sold to investor group, October 24, 2023, www.insidelogistics.ca
17. U.S. Department of Transportation Establishes

3. Biden-Harris Administration Announces New Climate and Transportation Research Funding

Partnership with Kansas City to Finance Mobility and Infrastructure Projects, October 24, 2023, www.dot.gov

On October 3, 2023, U.S. Transportation Secretary Pete Buttigieg announced a funding opportunity to establish the U.S. DOT Climate and Transportation Research Initiative funded at \$2.5 million for the first year. This funding supports a partnership between U.S. DOT and a university or other eligible organizations to conduct research advancing solutions to the Nation's climate and transportation challenges.

4. Canadian international merchandise trade, August 2023

In August 2023, Canada's merchandise exports increased 5.7%, while imports rose 3.8%. As a result, Canada's merchandise trade balance went from a deficit of \$437 million in July 2023 to a surplus of \$718 million in August 2023, the first trade surplus observed since April 2023. These trade balances are close to the typical bounds for monthly revisions to imports and exports. The contribution of prices to the monthly movements was noteworthy in the results for merchandise exports and imports. In real (or volume) terms, exports rose 3.0% in August 2023 compared with July 2023, while imports in real terms increased 1.2%. Consult the International trade monthly interactive dashboard to explore the most recent results of Canada's international trade in an interactive format.

5. September 2023 U.S. Transportation Sector Unemployment (4.9%) Rises Above the September 2022 Level (4.3%) And the Pre-Pandemic September 2019 Level (3.3%)

The unemployment rate in the U.S. transportation sector was 4.9% (not seasonally adjusted) in September 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 September 2023, the transportation sector unemployment rate rose 0.6 percentage points from 4.3% in September 2022 and was above the pre-pandemic September 2019 level of 3.3%. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020.

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

In September 2023, the number of international arrivals to Canada, including non-resident trips and returning Canadian-resident trips, increased from September 2022. All recovery rates have increased compared with September 2019, before the COVID-19 pandemic. The number of non-resident arrivals at Canadian airports equipped with electronic sensors totalled 942,600 in September 2023, up 29.3% from September 2022. Meanwhile, the number of Canadian-resident return trips from abroad stood at 1.3 million, a 17.6% increase from September 2022. In September 2023, US-resident trips to Canada through land ports with electronic sensors reached 1.2 million, up 44.9% from the same month in 2022. Moreover, the number of Canadian-resident return trips from the United States via the same land ports rose 37.0% year over year to 2.0 million trips in September 2023.

7. August 2023 Freight Transportation Services Index (TSI) Up 0.2% from the Previous Month and Down 1.9% 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 0.2% in August 2023 from July 2023, rising for the second consecutive month, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From August 2022 to August 2023 the index fell -1.9%.

8. U.S. Department of Transportation Advances America's Infrastructure with Expanded Regional Grants

On October 13, 2023, the U.S. Department of Transportation announced another step forward in advancing critical transportation infrastructure projects across the United States by expanding the Regional Infrastructure Accelerators (RIA) program to 24 accelerators receiving \$24 million in new funding from the Bipartisan Infrastructure Law. Administered by the Build America Bureau, the RIA program accelerates project delivery and clears barriers for credit-worthy projects by funding and encouraging best practices in project planning, studies and analysis, preliminary engineering, and design.

9. Traffic Flow Dashboard

Statistics Canada has launched the Traffic Flow Dashboard as a source of experimental statistics to provide information on the traffic flow on selected road segments in the cities of Calgary and Toronto.

10. Commission aims to cut plastic pellet release by 74%

The Commission is proposing steps to prevent microplastic pollution from the unintentional release of plastic pellets. All operators handling pellets in the EU will need to take necessary precautionary measures which are expected to reduce pellet release by up to 74%.

11. Three growth markets in a declining warehouse automation sector

During the pandemic, we saw record levels of warehouse automation investments, driven by higher e-commerce sales and a boom in speculative warehouse construction. However, fast forward to today and the warehouse automation market is struggling with declining order intake and prolonged sales cycles, which led to a contraction in 2022 and

another declining year in 2023. Given the inflationary environment and the resulting high interest rates (which aren't due to come down any time soon), we expect a relatively sluggish 2024 with limited order intake growth. In light of a troubling macro-economic environment, it's more important than ever to find market segments that are poised for growth. Indeed, within the wider declining market, there are particular sub-segments experiencing phenomenal growth. We've spent the last eight months surveying and interviewing automation vendors and end-customers to identify and quantify these outliers. The report, publishing later this month, will be critical for those looking to navigate today's turbulent market conditions.

12. Freight demand plummets as global trade falls to 18 month low

New data from Tradecraft shows transaction volumes across global supply chains dropped at their fastest rate in eighteen months in Q3. More than one million businesses use Tradecraft's business commerce network to exchange invoicing and purchase order information relating to trade transactions across global supply chains. The company's Q3 Index of Global Trade Health, which analyses the flow of these transactions, shows activity levels tracking 6 points below expected levels over the summer months (July-September). Global slump in goods demand A slump in demand for manufactured goods is undoubtedly a factor in the latest slowdown: 1. Manufacturing activity dropped 9 points below the baseline in Q3. 2. Freight demand softened to 6 points below the anticipated level. 3. Retail activity also dropped to 6 points below the expected range

13. Travel arrangement services, 2022

The operating revenue of the travel arrangement and reservation services industry group rose sharply by 182.2% to \$9.7 billion in 2022. Despite the strong recovery following the COVID-19 pandemic, the industry group's operating revenue was 33.7% lower than in 2019. This industry group is composed of three industries: tour operators, travel agencies, and other travel arrangement and reservation services. Tour operators accounted for the largest share of revenue in 2022, at 55.2%. This is a sign of travel patterns returning to normal, as tour operators were hit hardest by the pandemic, accounting for 27.1% of total operating revenue in 2021. It should be noted that travel arrangement services can be offered to Canadians, mostly digitally, by firms that operate legal entities from foreign countries. Purchases made by Canadian consumers from foreign companies are not included in these estimates.

14. Travel between Canada and other countries, August 2023

In August 2023, the number of non-resident visitors to Canada accounted for 78.2% of the number observed in August 2019, before the COVID-19 pandemic. Meanwhile, the number of returning Canadian residents accounted for 84.0% of the level recorded in August 2019. Residents of overseas countries took 771,000 trips to Canada in August 2023, and US residents took 2.8 million trips. At the same time, Canadian residents returned from 4.9 million trips abroad. Vacations by cruise continued to increase, as Canadian residents took 35,200 cruise trips. To further explore current and historical data in an interactive format, please visit the Frontier Counts: Interactive Dashboard.

15. What shippers need to know to succeed in Mexico in 2024

Nearshoring is helping to attract more manufacturing to Mexico as shippers look for supply chains that are closer, less costly and more advantageous to doing business with the U.S. Mexico has been the top U.S. trading partner since the beginning of 2023, reporting \$397 billion in two-way trade from January through June, according to the U.S. Census Bureau. In comparison, Canada was No. 2 at \$388 billion and China was third at \$276 billion for the same period. "We've already observed encouraging growth in Mexico's nearshoring in recent years, particularly among companies that already possess manufacturing facilities within the country. Consequently, we've witnessed a surge in freight movement to and from the U.S.," Ed Habe, vice president of Mexico sales for cross-border LTL carrier Averitt Express, told *FreightWaves*. Nearshoring has the potential to boost the growth of Mexican manufacturing exports to the U.S. even further — from \$455 billion today to an estimated \$609 billion over the next several years, according to a recent report from Morgan Stanley, ["Mexico Is Poised to Ride the Nearshoring Wave."](#)

16. Logistec sold to investor group

1443373 B.C. Unlimited Liability Company, an entity owned by funds managed by Blue Wolf Capital Partners LLC in partnership with Stonepeak, an investment firm specializing in infrastructure and real assets, is acquiring all issued and outstanding shares of Logistec for \$67.00 in cash per share, representing a total enterprise value of approximately \$1.2 billion.

17. U.S. Department of Transportation Establishes Partnership with Kansas City to Finance Mobility and Infrastructure Projects

The U.S. Department of Transportation (DOT) on October 24, 2023 established a strategic partnership to enhance innovative delivery and finance infrastructure improvements in Kansas City, Missouri. The Emerging Projects Agreement (agreement) focuses on Kansas City's more than \$15 billion network of projects designed to improve mobility, connectivity, safety and equity throughout the region. The partnership will help spur work for an east-west Streetcar extension to connect underserved communities with healthcare, jobs, and the heart of Kansas City.