

# Transportation Information Update\*

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## AIR TRANSPORTATION

### 1. Air Canada Reports Third Quarter 2023 Financial Results

Air Canada on October 30, 2023 reported its third quarter 2023 financial results. The key features of the results are: 1. Operating revenues of \$6.344 billion increased 19 per cent from the third quarter of 2022; 2. Operating income of \$1.415 billion, with an operating margin of 22.3 per cent, increased \$771 million year over year; 3. Adjusted EBITDA of \$1.830 billion, with adjusted EBITDA margin of 28.8 per cent, an improvement of over \$773 million year over year; 4. Third quarter net cash flows from operating activities of \$408 million, and free cash flow of \$135 million; and 5. Leverage ratio of 1.4 at September 30, 2023, down from 5.1 at December 31, 2022. Michael Rousseau, President and Chief Executive Officer at Air Canada said "Air Canada performed strongly in the third quarter, generating solid operating revenues of more than \$6.3 billion, a 19 per cent increase over the same period last year. Our focus on growing our international network, building scale at our hubs and leveraging our solid partnerships is delivering strong results. Our operating income reached \$1.4 billion, more than double from a year ago, and adjusted EBITDA grew by \$773 million to \$1.83 billion, representing an adjusted EBITDA margin of nearly 29 per cent. I thank our employees and management team for their hard work in safely transporting 12.6 million customers during the busy and demanding summer season. We managed costs prudently, with operating expenses rising 5 per cent, on a 10 per cent increase in capacity. We have continued to pay down debt in the quarter, lowering our leverage ratio to 1.4 from 5.1 at the end of last year, while also maintaining a healthy level of liquidity, which stood at nearly \$10 billion at the quarter's end."

### 2. Aeroplan Earns Top Honours with Canada's Choice 2023 Travel Loyalty Awards

Air Canada's Aeroplan Loyalty program had another strong showing in the RewardsCanada.ca Canada's Choice 2023 Awards, with Aeroplan and its credit card partners taking home top honours in four categories, including for Top Airline Loyalty Program once again. A record turnout of loyalty members across Canada took to voting for the top loyalty programs and credit cards in Canada. "Bringing these Canada's Choice awards home reflects Aeroplan's commitment to becoming Canada's favourite travel rewards program and having Canada's best travel rewards credit cards. We proudly share this recognition with our employees, our partners and our 8 million plus active Aeroplan members in Canada and around the world," said Scott O'Leary, Vice President, Loyalty and Product at Air Canada. In the Canada's Choice 2023 competition, Aeroplan and its partners won in the following categories: 1. Top Airline Loyalty Program (Aeroplan); 2. Top Overall Travel Rewards Credit Card (TD Aeroplan Visa Infinite card); 3. Top Airline Credit Card (TD Aeroplan Visa Infinite card); and 4. Top Ultra Premium Credit Card (TD Aeroplan Visa Infinite Privilege Card).

## AIR TRANSPORTATION Canada

1. Air Canada Reports Third Quarter 2023 Financial Results, October 30, 2023, [www.aircanada.ca](http://www.aircanada.ca)
2. Aeroplan Earns Top Honours with Canada's Choice 2023 Travel Loyalty Awards, October 31, 2023, [www.aircanada.ca](http://www.aircanada.ca)
3. JetBlue-Spirit merger trial tests US airline deal crackdown, October 31, 2023, [www.ajot.com](http://www.ajot.com)
4. Halifax Airport wins advanced decarbonization certification, October 27, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
5. Vancouver Island. The full Top 10 list is featured in the November issue of Air Canada enRoute magazine and online at [CanadasBestNewRestaurants.com](http://CanadasBestNewRestaurants.com)
6. Porter celebrates first flight to Tampa, Florida, November 1, 2023, [www.flyporter.com](http://www.flyporter.com)
7. Hej! Air Canada Expands Presence in Scandinavia with New Flights to Stockholm Launching Summer 2024, November 2, 2023, [www.aircanada.ca](http://www.aircanada.ca)
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14. Air Cargo Demand up 1.9% in September, Sustaining Moderate Growth Momentum, November 8, 2023, [www.iata.org](http://www.iata.org)
15. Hyundai's Supernal to build plant in US to make first flying electric taxis, November 8, 2023, [www.ajot.com](http://www.ajot.com)
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\* The news indicated from the citations is those of the authors and not of Industry Canada or the CTRF.

### **3. JetBlue-Spirit merger trial tests US airline deal crackdown**

The US crackdown on airline consolidation faces a new test this week with the trial of a government lawsuit claiming the \$3.8 billion takeover of Spirit Airlines Inc. by JetBlue Airways Corp. would reduce competition and boost fares for passengers. While investors consider approval of the deal to be a long shot, the trial set to start on October 31, 2023 before a federal judge in Boston comes at a critical time for the industry. Domestic low-cost carriers have cut service as fares slide and travel slows, while antitrust regulators crack down on airline consolidation after decades of lax enforcement. JetBlue reported a third-quarter loss that was worse than what Wall Street had expected, and said it would lose money for the full year. Spirit's fourth-quarter revenue forecast missed estimates last week and the stock is down more than 30% this year. The US Justice Department, along with six states and Washington DC, claims JetBlue's bid for the largest deep-discount carrier would limit flight options, increase ticket prices and hurt cost-conscious travelers. JetBlue contends the combination is needed to better compete with the "Big Four" domestic airlines, American Airlines Group Inc., Delta Air Lines Inc., United Airlines Holdings Inc. and Southwest Airlines Co. If the deal is blocked for violating antitrust laws, JetBlue would have to pay Spirit and its shareholders a \$470 million breakup fee, according to their merger agreement.

### **4. Halifax Airport wins advanced decarbonization certification**

Halifax Stanfield airport has earned the Level 3 – Optimization accreditation from the Airports Council International (ACI) Airport Carbon Accreditation program. ACI's Airport Carbon Accreditation program is the only institutionally endorsed carbon management certification standard for airports. The program encourages airports to measure, manage, and reduce carbon emissions. Achieving Level 3 – Optimization accreditation is a significant milestone for Halifax Stanfield that recognizes its work in managing and reducing its CO2 emissions and engaging stakeholders to do the same as part of the global airport industry's response to climate change. "This accreditation reflects the team's dedication to reducing greenhouse gas emissions and minimizing its environmental footprint. The airport remains steadfast in its mission to lead the aviation industry in sustainable practices," said Joyce Carter, Halifax International Airport Authority's (HIAA) president and CEO.

### **5. Air Canada Unveils 2023 Canada's Best New Restaurants Top 10, Celebrating the Country's Most Exciting Culinary Talent and Showcasing Food**

The 2023 Canada's Best New Restaurants Top 10 were unveiled on November 1, 2023 by Air Canada, with Toronto restaurant Kappo Sato taking the coveted top spot. Led by chef Takeshi Sato, Kappo Soto is a Kappo-style Omakase restaurant where the tasting menu is prepared entirely in front of guests. In second place, the lavish steakhouse Wild Blue elevates fine dining in the mountain ski town of Whistler through its prime selection of meat and seafood. This year's third-place winner, Marilena Café and Raw Bar, serves upscale seafood in a relaxed environment in Victoria.

### **6. Porter celebrates first flight to Tampa, Florida**

Porter Airlines is launching daily, roundtrip service between Toronto Pearson International Airport (YYZ) and Tampa (TPA). This is the first U.S. route operated by any airline with the state-of-the-art Embraer E195-E2. Porter is the North American launch customer for Embraer's newest family of E2 jets. The 132-seat, all-economy aircraft has a two-by-two configuration, which means no middle seat on any Porter flight. The E2 is the most environmentally-friendly single-aisle aircraft family, measured by sound and

17. The Canadian Transportation Agency issues administrative monetary penalty to Air Canada for violations of the Accessible Transportation for Persons with Disabilities Regulations, November 9, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)
18. WestJet enhances Edmonton's global connectivity with new US flights to key markets, November 7, 2023, [www.westjet.ca](http://www.westjet.ca)
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24. Aeroplan-Parkland Partnership Launches Today, Adding 1,100+ New Locations to Earn and Redeem Daily, November 15, 2023, [www.aircanada.ca](http://www.aircanada.ca)
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29. Heathrow hit with delays due to staff absences, strong winds, November 19, 2023, [www.ajot.com](http://www.ajot.com)
30. Porter inaugurates two more new Florida routes with start of Orlando service, November 21, 2023, [www.flyporter.ca](http://www.flyporter.ca)
31. Canadiens Announce Air Canada as Official Road Jersey Partner, November 23, 2023, [www.aircanada.ca](http://www.aircanada.ca)
32. US airlines keep adding seats they can't get anyone to fill, November 22, 2023, [www.ajot.com](http://www.ajot.com)
33. B.C.-based carrier orders electric aircraft, November 24, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
34. Air Canada Earns Outstanding Commitment Honours and Sector Distinction Award at Employment Equity Achievement Awards, November 27, 2023, [www.aircanada.ca](http://www.aircanada.ca)
35. Screened passenger traffic at Canadian airports, October 2023, November 27, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
36. Monthly civil aviation statistics, September 2023, November 28, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
37. Air Transat and Porter Announce Transformative Joint Venture Benefiting Canadian Travellers, November 28, 2023, [www.flyporter.com](http://www.flyporter.com)
38. U.S. Department of Transportation Announces New Thought Leadership Series "Up, Up, and Away: Innovations in Advanced

CO2 emissions. It is certified to the strictest international standard for aircraft noise, at 65% quieter than previous generation types.

Air Mobility”, November 28, 2023,  
[www.dot.gov](http://www.dot.gov)

#### **7. Hej! Air Canada Expands Presence in Scandinavia with New Flights to Stockholm Launching Summer 2024**

Air Canada on November 2, 2023 announced the strategic expansion of its presence in Scandinavia with new summer seasonal flights to Stockholm. Three weekly flights from Montreal and two weekly flights from Toronto will begin June 12, 2024. The airline will also be increasing capacity on its year-round Copenhagen flights from Toronto with daily flights beginning May 1, 2024 until Oct. 31, 2024 and will resume seasonal flights from Montreal earlier on May 2, 2024, increasing up to five weekly flights in June. Seats are available for purchase now at [aircanada.com](http://aircanada.com), via the Air Canada App, Air Canada's Contact Centres, and travel agents.

#### **8. Air Canada Becomes First Airline Globally to Offer Disney+ Originals Onboard**

Air Canada on November 3, 2023 became the first airline globally to bring Disney+ Originals to the skies through its in-flight entertainment (IFE) system. The airline's latest collaboration with Disney, an internationally recognized brand, offers customers even more opportunities to enjoy original programming for all ages while onboard. It also marks Air Canada's most recent investment in its family-focused travel experience, adding critically-acclaimed and exclusive Disney+ Originals such as the first three episodes of *Loki* Season 1 and *Obi-Wan Kenobi*. "We are thrilled to bring Disney+ Original series and films to our in-flight entertainment, ..." said John Moody, Managing Director, Product Design at Air Canada.

#### **9. U.S. Airlines' September 2023 Fuel Cost per Gallon Up 11.4% from August 2023; Aviation Fuel Consumption Up 2.8% from Pre-Pandemic September 2019**

The Department of Transportation's Bureau of Transportation Statistics (BTS) on November 3, 2023, released U.S. airlines' September 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.518 billion gallons of fuel, 9.2% less fuel than in August 2023 (1.672 billion gallons) and 2.8% more than in pre-pandemic September 2019. The cost per gallon of fuel in September 2023 (\$3.14) was up 32 cents (11.4%) from August 2023 (\$2.82) and up \$1.19 (60.6%) from September 2019. Total September 2023 fuel expenditure (\$4.77B) was up 1.1% from August 2023 (\$4.72B) and up 65.1% from pre-pandemic September 2019. Year-over-year changes in fuel consumption and cost for September 2023 include 6.0% increase in domestic fuel consumption, 4.2% decrease in domestic fuel cost, and 9.6% decrease in cost per gallon. Domestic fuel consumption decreased 9.2% from August 2023 to September 2023, while increasing 4.2% from September 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

#### **10. The future of flight in a net-zero-carbon world: Nine scenarios, lots of sustainable aviation fuel**

Several major airlines have pledged to reach net-zero carbon emissions by midcentury to fight climate change. It's an ambitious goal that will require an enormous ramp-up in sustainable aviation fuels, but that alone won't be enough, our latest research shows. The idea of jetliners running solely on fuel made from used cooking oil from restaurants or corn stalks might seem futuristic, but it's not that far away. Airlines are already experimenting with sustainable aviation fuels, including biofuels made from agriculture residues, trees, corn and used cooking oil, and synthetic fuels made with captured carbon and green hydrogen.

#### **11. JetBlue CEO targets big airlines over low-dare Spirit travelers**

JetBlue Airways Corp. wants to use its acquisition of deep-discount carrier Spirit Airlines Inc. to compete with the four major airlines, with plans to rebrand Spirit jets and reduce their seats per plane by 10% to 15%, Chief Executive Officer Robin Hayes testified at an antitrust trial. JetBlue's primary goal in spending \$3.8 billion to buy Spirit was to go up against the likes of American Airlines Group Inc., Delta Air Lines Inc., United Airlines Holdings Inc. and Southwest Airlines Co., Hayes told a judge in Boston during a trial over the federal government's bid to block the deal. "It is a very tall order to compete with them," Hayes said, his second day on the witness stand. The top four airlines account for about 80% of US ticket revenue. "We've spent 20 years now carving out 5%" of the market as a value-focused carrier, Hayes said. JetBlue has studied possible acquisitions of smaller airlines for years and determined it was the only way to compete with larger carriers. "You'd never, ever get to the size they are based on organic growth," Hayes said of the big four companies. "Let's recall that they didn't get there through organic growth either — they got there through mergers and acquisitions." The US Justice Department's lawsuit challenging the JetBlue-Spirit merger is part of an ongoing effort by antitrust regulators to limit consolidation within the airline industry, after decades of approving deals with little restriction. Government lawyers say the transaction violates antitrust law because it would eliminate JetBlue's fastest-growing competitor and limit choices for passengers, especially in the market for ultra-low-cost air travel. Hayes defended the deal, saying it was never intended to eliminate a potential rival. "This was about securing and anchoring JetBlue's future," he said. "We wanted to create a low fare, high-quality challenger to the legacy airlines."

#### **12. Air Canada Joins Forces with Dreams Take Flight Calgary to Create Unforgettable Experiences for Children**

Air Canada and Dreams Take Flight are once again joining forces to create an unforgettable experience. This year, we will be taking over 120 children on a once-in-a-lifetime journey from Calgary to a theme park in California, all thanks

to the generous support of many Air Canada employee volunteers and the Air Canada Foundation. Dreams Take Flight, since its inception in 1989, has provided over 30,000 Canadian children with special needs the opportunity to experience a unique flight. This is the 30th year Dreams Take Flight Calgary has taken place. The group of children were accompanied by a team of volunteers, both active and retired employees of Air Canada, who were committed to creating a magical journey for all on board. This team, comprised of pilots, flight attendants, maintenance engineers, and many other ground and behind-the-scenes staff, selflessly gave their time to provide an opportunity for children dealing with mental, physical, or social hardships. They offered these children a chance to escape their daily struggles, create lasting memories, and discover new possibilities.

### **13. Dashboard - Air travel complaints per 100 flights – by airline – April 2022 to March 2023**

Information on air travel complaints per 100 flights by airline can be found on the dashboard set up by the Canadian Transportation Agency. 1. The tables include airlines with an average of 1 or more complaints per 100 flights to/from/within Canada submitted to the CTA during 1 of the quarterly periods. Airlines that did not meet this criteria, or that did not operate at least 100 flights over the reporting periods, are not included on the list. 2. The complaint data is based on the information submitted by passengers and may not have been reviewed by the CTA at the time of publishing. 3. Complaints are submitted to the CTA after the passenger has attempted to resolve the issue directly with the airline. Airlines have 30 days to respond to the passenger, etc. For further information please check the dashboard. For the period March 31, 2023 to April 1, 2022, Air Transat had the lowest 3.3 and Flair had the most 15.3 per 100 flights, while Air Canada's stood at 4.3 and WestJet stood at 6.6.

### **14. Air Cargo Demand up 1.9% in September, Sustaining Moderate Growth Momentum**

The International Air Transport Association (IATA) released data for September 2023 global air cargo markets, showing continuing demand recovery. Global demand, measured in cargo tonne-kilometers (CTKs), increased by 1.9% compared to September 2022 levels (+6% for international operations). Capacity, measured in available cargo tonne-kilometers (ACTKs), was up 12.1% compared to September 2022 (+0% for international operations). Growth was largely related to international belly capacity which rose 31.5% year-on-year as airlines scaled up operations to meet peak-northern summer travel season demand.

### **15. Hyundai's Supernal to build plant in US to make first flying electric taxis**

Hyundai Motor Group, the world's third-biggest automaker by sales, plans to build a facility in the US where its air mobility division Supernal will make flying electric taxis intended to be used by commuters. A prototype of the electric vertical take-off and landing craft will be shown at CES in Las Vegas in January 2024, Supernal Chief Executive Officer Shin Jaiwon said. The eVTOL taxi will be capable of flying at 120 miles an hour (190 kph) and have capacity for one pilot and four passengers. December 2024 is the target for a test flight, with ambitions to start commercial service four years later, Shin said in an interview this week with *Bloomberg News* in Singapore. "Considering all the battery technology and all the infrastructure and regulation to come along, it's going to take some time," he said. Batteries are the biggest technical challenge for electric air mobility, accounting for up to 40% of an eVTOL craft's weight. "That's really the killer," Shin said. "From the operation side, we don't have air traffic management systems to govern these vehicles," he said. "Up until this point, even the foreseeable future, we don't have man-made objects flying routinely below 500 meters."

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

The Canadian Transportation Agency (CTA) has issued an administrative monetary penalty of \$110,000 against Air Canada for various violations of the Accessible Transportation for Persons with Disabilities Regulations (ATPDR) related to its obligations around persons with a disability and their service dogs. These penalties are for an incident that occurred in June 2023. On June 13, 2023, Air Canada failed to provide a passenger with a disability with an adjacent seat to theirs, which was needed to provide sufficient floor space for their service dog. Subsequently, Air Canada refused to transport the passenger and their service dog on one of its flights. The carrier also failed to provide a written notice, within 10 days of the occurrence, explaining the reasons for the refusal to transport a person with a disability and their service dog. Contraventions relate to subsections 51(4), 60(1) and 60(2) of the ATPDR. Air Canada will have 30 days to request a review before the Transportation Appeal Tribunal of Canada.

### **17. Air Canada Takes Action to Improve Experience for Customers with Disabilities**

On Nov. 9, 2023, Air Canada announced a series of measures to reduce barriers and make travel simpler, more comfortable and consistently reliable for customers with disabilities. The actions being taken will accelerate Air Canada's Accessibility Plan 2023-26, a three-year strategy released in June 2023, and are intended to reduce or eliminate major sources of dissatisfaction and trip disruption for customers with disabilities. "Air Canada recognizes the challenges customers with disabilities encounter when they fly and accepts its responsibility to provide convenient and consistent service so that flying with us becomes easier. Sometimes we do not meet this commitment, for which we offer a sincere apology. As our customers with disabilities tell us, the most important thing is that we continuously

improve in the future. We are listening to them and today we are committing to do better and demonstrating that commitment with concrete actions," said Michael Rousseau, President and Chief Executive Officer of Air Canada.

#### **18. WestJet enhances Edmonton's global connectivity with new US flights to key markets**

WestJet on November 7, 2023, as part of its 2024 summer schedule, unveiled new non-stop service between Edmonton International Airport and Atlanta, Nashville and San Francisco, demonstrating the airline's ongoing commitment to expanding the city's transborder aviation network. The announcement builds on the momentum from summer 2023, when WestJet announced new service to Minneapolis and Seattle, along with strengthened domestic connectivity from Alberta's capital, which will be sustained through 2024.

#### **19. September Passenger Demand Provides Solid End to Third Quarter**

The International Air Transport Association (IATA) announced that the strong post-pandemic passenger traffic trend continued in September 2023. *Total traffic* in September 2023 (measured in revenue passenger kilometers or RPKs) rose 30.1% compared to September 2022. Globally, traffic is now at 97.3% of pre-COVID levels. *Domestic traffic* hit a new high for the month of September, as traffic rose 28.3% versus September 2022 and exceeded the September 2019 level by 5.0%. *International traffic* climbed 31.2% compared to the same month a year ago. All markets saw double-digit percentage gains year on year. International RPKs reached 93.1% of September 2019 levels. "The third quarter of 2023 ended on a high note, with record domestic passenger demand for the month of September and continued strong international traffic," said Willie Walsh, IATA's Director General.

#### **20. September 2023; Employment Remains 8.7% Above Pre-Pandemic September 2019**

U.S. airline industry (passenger and cargo airlines combined) employment increased to 807,865 workers in September 2023, 2,939 (0.37%) more workers than in August 2023 (804,926) and 64,765 (8.72%) more than in pre-pandemic September 2019 (743,100). U.S. scheduled-service passenger airlines employed 533,238 workers in September 2023 or 66% of the industry-wide total. Passenger airlines added 2,938 employees in September 2023 for a twenty-ninth consecutive month of job growth dating back to May 2021. Southwest led scheduled passenger carriers, adding 882 employees; United Air Lines added 736, and Delta Airlines added 708. U.S. cargo airlines employed 269,870 workers in September 2023, 34% of the industry total. Cargo carriers lost 18 employees in September. FedEx, the leading air cargo employer, decreased employment by 149 jobs.

#### **21. Porter touches down in Fort Myers, serving southwest Florida for the first time**

Porter Airlines is launching its daily, roundtrip service between Toronto Pearson International Airport (YYZ) and Southwest Florida International Airport (RSW) in Fort Myers. Porter Airlines has a well-earned reputation for providing exceptional service, and the addition of Fort Myers to its list of destinations is part of Porter's North American expansion plan. Flights between Toronto Pearson and Fort Myers are operated by the state-of-the-art Embraer E195-E2 aircraft. The 132-seat, all-economy aircraft has a two-by-two configuration, which makes Porter the only carrier that can promise passengers no middle seats.

#### **22. August 2023 U.S. Airline Traffic Data Up 8.4% from the Same Month Last Year**

U.S. airlines carried 83.1 million systemwide (domestic and international) scheduled service passengers in August 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, August enplanements are up 1.7% from July and down 4.2% from the all-time high reached in January 2020. BTS reported 71.5 million domestic passengers and 11.6 million international passengers on U.S. airlines flights in August 2023, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the BTS website for summary data since 2016 and complete data since 2000.

#### **23. European Air Fares Rising Slower than Inflation**

The International Air Transport Association (IATA) released data showing that travelers in Europe are benefiting from air fares that are undercutting inflation, as the market continues its post-COVID recovery. Latest traffic figures show that European carriers sit just 3.6% down on the 2019 peak. Europeans are traveling despite the inflationary environment. In June 2023, average air fares in Europe were around 16% higher than pre-pandemic. However, that is lagging the average consumer prices index for the EU, which in June stood at 20% over pre-pandemic.

#### **24. Aeroplan-Parkland Partnership Launches Today, Adding 1,100+ New Locations to Earn and Redeem Daily**

On Nov. 15, 2023, Aeroplan members can begin earning and redeeming points at any of Parkland's participating 1,100+ Ultramar, Chevron, Pioneer, Fas Gas, ON the RUN and Marché Express locations Canada-wide. The partnership, first announced in [April](#) 2023, brings together two Canadian loyalty giants to offer members increased earning and redemption power, including up to 3X the points when they link their Aeroplan and JOURNIE™ Rewards accounts, and can access a greater choice of new benefits and an unmatched loyalty experience. "Aeroplan is thrilled to be partnering with Parkland and JOURNIE™ Rewards," said Scott O'Leary, Vice President, Loyalty and Product at Air Canada. "Together we're excited to give our members more choice, and more ways to get rewarded at every fill-up."

#### **25. Government of Canada investing in air safety in Sydney, Nova Scotia**



On November 14, 2023, Member of Parliament for Cape Breton—Canso, Mike Kelloway, on behalf of the Minister of Transport, Pablo Rodriguez, announced that the Government of Canada is making major investments to strengthen air safety at the J.A. Douglas McCurdy Sydney Airport. Through Transport Canada’s Airports Capital Assistance Program, the Airport is receiving more than \$7.4 million to rehabilitate Runway 06-24, including associated edge lights. This rehabilitation work will help keep passengers, airport workers and crews safe by ensuring airside surfaces remain in top condition.

#### **26. North Asia looks to the future**

Air travel demand in North Asia has had a rollercoaster ride in the past few years. China, for example, was among the first to restart domestic traffic after the initial pandemic lockdown in 2020 but quickly reversed its decision and later adopted a zero-COVID policy. This finally came to an end on 8 January 2023 when the country reopened its borders and international travelers were welcomed without mandatory PCR testing on arrival and quarantine requirements. A new outbreak then caused France, the United Kingdom, the United States, and Australia—among others—to introduce pre-departure tests for Chinese travelers but this proved short-lived. In late April 2023, China finally abandoned a 48-hour pre-boarding PCR requirement and from 1 November 2023 there was no longer any need for a health declaration form. “We are seeing a return to normal traffic demand,” says Dr Xie Xingquan, IATA’s Regional Vice President for North Asia. “As of November 2023, the total number of flights is just 5% lower than 2019 levels, though the majority are domestic flights. Domestically, China didn’t have the layoffs seen in other countries, so the industry has been able to scale up quickly. “But international flights are at just 55% of pre-COVID levels. Even so, the recovery has been steady and fundamental drivers, such as economic and international trade growth are in place.”

#### **27. WestJet Cargo and Flexport collaborate to streamline Canadian exports and spur regional growth**

On November 14, 2023, WestJet Cargo announced a new agreement with Flexport, the global leader in supply chain technology, to offer new airfreight solutions for Canadian exports into Asia. Under the unique agreement, WestJet Cargo will deliver Canadian cargo to O’Hare International Airport (ORD), where Flexport operates dedicated freighters from the U.S. to key air freight hubs in Asia, including Incheon International Airport (ICN), Shanghai Pudong International Airport (PVG) and Hong Kong International Airport (HKG), effectively expanding the global reach for WestJet Cargo and their customers. Given the surge in demand for Canadian products in key Asian markets, particularly perishables like seafood, WestJet Cargo and Flexport’s comprehensive solution meets the needs of customers in Halifax and the surrounding regions at a pivotal time.

#### **28. Government of Canada announces new funding to strengthen air safety in Northern Ontario**

Member of Parliament for the Nickel Belt, Marc G. Serré, on behalf of the Minister of Transport, Pablo Rodriguez, announced on November 16, 2023 that the Government of Canada is making important investments to enhance air safety in Northern Ontario. Through Transport Canada’s Airports Capital Assistance Program, two airports in Northern Ontario are receiving over \$500,000 in new funding for projects and equipment that will help maintain safe airport operations for passengers, crews, and airport workers. The Moosonee Airport is receiving \$382,500 to purchase a grader to be used in the removal and control of snow and ice on airside surfaces such as runways, taxiways and aprons.

#### **29. Heathrow hit with delays due to staff absences, strong winds**

London Heathrow Airport experienced flight delays on November 19, 2023 after staff shortages and bad weather led to limits on air traffic. NATS, the UK’s airspace manager, said in an emailed statement that temporary restrictions were in place at Heathrow because of “short notice staff absence in the tower and strong winds.” Heathrow isn’t the only UK airport that has been impacted by air traffic controller shortages this year. London Gatwick Airport said in late September 2023 that it had placed a cap on the number of daily flights through Oct. 1, 2023 because of the rising number of sick leaves. Heathrow confirmed the news in a statement, adding that it encourages passengers to check the latest information with their airline. British Airways said it had to adjust some of its short-haul schedule and has apologized to affected customers and offered them the option to rebook their flight or receive a full refund. Its website showed dozens of flights delayed by up to two hours. NATS said it was working with Heathrow and airlines to minimize disruption, and limits such as this were only imposed to ensure safety. The situation at the UK’s biggest airport is expected to improve in the afternoon, NATS added.

#### **30. Porter inaugurates two more new Florida routes with start of Orlando service**

Porter Airlines is taking to the skies with two new routes to Orlando International Airport (MCO) on November 21, 2023, with flights departing from Toronto Pearson International Airport (YYZ) and Ottawa International Airport (YOW). The start of service to Orlando marks the third new Florida destination that Porter has touched down since the start of November 2023, following Tampa and Fort Myers. Flying aboard the new Embraer E195-E2 aircraft, Porter brings its genuine hospitality and elevated onboard service to a new market with free, fast WiFi, a selection of premium snacks, and free beer and wine served in glassware.

#### **31. Canadiens Announce Air Canada as Official Road Jersey Partner**

The Montreal Canadiens and Air Canada have announced a multi-year jersey partnership agreement, which will see the Air Canada logo featured on Canadiens away jerseys worn on the road throughout the duration of the partnership, starting November 23, 2023. The news deepens a 40-plus year partnership between two brands with one common heritage in Montreal. The partnership will also bring a positive impact to the greater Montreal Community. At the end of each season for the duration of the agreement, the Air Canada Foundation and the Montreal Canadiens Children's Foundation will auction off a set of game-worn road jerseys, with all proceeds benefiting local children's charities which aims to inspire access to the game of hockey for young Canadiens fans.

### **32. US airlines keep adding seats they can't get anyone to fill**

A record 30 million people are expected to catch a flight over the Thanksgiving holiday, but airlines that specialize in low-cost US travel still don't have much of a reason to celebrate. Spirit Airlines Inc., Southwest Airlines Co. and other domestic-focused carriers are slashing their already low prices. After pandemic-related lockdowns ended, budget domestic airlines bolstered their supply of seats to accommodate a massive influx of travelers in 2022. But these days they're often empty because passengers are gravitating toward more-expensive, internationally focused competitors. As a result, domestic-focused carriers, a group that also includes Frontier Group Holdings Inc. and JetBlue Airways Corp., are expected to struggle financially in 2024 and possibly 2025, analysts say. Those companies have already had a hard year. They've been battered by grounded or delayed aircraft, rising labor costs, volatile fuel prices, and congestion magnified by a shortage of air traffic controllers that's affecting the whole industry. "I get a fare sale promotion, like, four times a day now," Conor Cunningham, a Melius Research analyst, said in an interview. "It's insane." Domestic air fares for Thanksgiving have averaged \$266 round trip, down 7% from 2022 and below pre-pandemic 2019, according to booking app Hopper Inc. Tickets for Christmas are at \$324, down 12% from 2022 and 10% under 2019. Average domestic round-trip fares have declined year-over-year each month from April through October, based on US travel agency ticket sales, according to ARC Corp.

### **33. B.C.-based carrier orders electric aircraft**

Helijet International Inc., plans to become the first Canadian air carrier to provide passenger and cargo services using electric vertical takeoff and landing (eVTOL) aircraft. The Richmond, British Columbia, company has placed firm orders for ALIA eVTOL aircraft from BETA Technologies. Helijet will integrate the BETA-designed aircraft into its existing network of helicopter services in southwestern B.C. and the Pacific Northwest. The electric aircraft's vertical take-off and landing capability will also have potential to enhance Helijet's provision of emergency response, air ambulance and organ transfer services in the Lower Mainland, as well as support rural and remote communities that do not have access to affordable and convenient air services. Built by electric aerospace company BETA Technologies, the five-passenger + pilot configured ALIA eVTOL aircraft is currently in advanced flight standards development towards commercial regulatory certification in 2026 and will be available for private and commercial service shortly thereafter.

### **34. Air Canada Earns Outstanding Commitment Honours and Sector Distinction Award at Employment Equity Achievement Awards**

Air Canada is honoured to have been presented the Outstanding Commitment to Employment Equity award and the Sector Distinction award by The Honourable Seamus O'Regan, Federal Minister of Labour and Seniors, as part of the Employment Equity Achievement Awards announced recently. "Air Canada is proud to be a leading employer in Canada and a role model in the aviation sector for its advancement in the workplace of women, Indigenous peoples, persons with disabilities and members of visible minorities. We are honoured to be recognized with these awards, which reflect our strong commitment to diversity, equity and inclusion across all sectors of our airline," said Arielle Meloul-Wechsler, Executive Vice President, Chief Human Resources Officer and Public Affairs at Air Canada. This is the fifth year that the awards are presented, and this year marks the second time that Air Canada has been recognized.

### **35. Screened passenger traffic at Canadian airports, October 2023**

In October 2023, 4.6 million passengers passed through pre-board security screening at checkpoints operated at Canada's eight largest airports. This was an increase of 14.6% from October 2022 and of 1.6% from the same month in 2019, before the COVID-19 pandemic. October 2023 marked the first month that counts of screened passengers for non-United States international flights surpassed 2019 levels; the domestic sector reached this milestone in May 2023. Screened traffic for transborder flights (Canada-United States) in October remained just below (-3.3%) the pre-pandemic level.

### **36. Monthly civil aviation statistics, September 2023**

Major Canadian airlines carried 6.7 million passengers on scheduled and charter services in September 2023, up 12.1% from the same month in 2022. With traffic at 19.2 billion passenger-kilometres and capacity at 22.0 billion available seat-kilometres, the passenger load factor was 87.2% in September 2023. Operating revenue earned in September 2023 exceeded the level from the same month of 2019, before the COVID-19 pandemic, for the 10th consecutive month.

### **37. Air Transat and Porter Announce Transformative Joint Venture Benefiting Canadian Travellers**

Air Transat, air carrier subsidiary of Transat A.T. Inc. (“Transat”), and Porter Airlines (“Porter”) are extending their existing code-sharing agreement by creating a joint venture (the “Alliance”), transforming the current Canadian aviation competitive landscape. By combining both airlines’ complementary networks, this Alliance offers travellers significant benefits, including enhanced travel options across multiple regions. The Alliance expands services between North, Central and South America, Europe, North Africa, Mexico and the Caribbean, integrating Porter’s and Transat’s highly-complementary, non-overlapping networks at Toronto Pearson (YYZ) and Montreal Trudeau (YUL) airports.

### **38. U.S. Department of Transportation Announces New Thought Leadership Series “Up, Up, and Away: Innovations in Advanced Air Mobility”**

The U.S. Department of Transportation on November 28, 2023 announced that Federal Aviation Administration (FAA) and the U.S. DOT Volpe Center will partner on a virtual thought leadership program entitled “Up, Up, and Away: Innovations in Advanced Air Mobility.” The seven-part event series will take place from November 2023 through February 2024. Each forum features leading Federal and private sector panelists and is open to the public. Registration is required. “A new era of aviation is taking off,” said Under Secretary of Transportation for Policy, U.S. DOT Carlos Monje. “Drones, advanced air mobility aircraft, and other kinds of innovations have the potential to help us tackle some of our most difficult challenges and achieve major breakthroughs that will lead us to a new aviation system ecosystem.”

## **WATER TRANSPORTATION**

### **1. St. Lawrence Seaway reopening as tentative agreement reached with union**

The St. Lawrence Seaway Management Corporation (SLSMC) has announced that it reached an agreement with UNIFOR, representing 360 unionized employees, to end the strike that began on October 22nd. The agreement will have to be ratified by employees in the coming days. We will begin to implement our recovery program immediately and will start passing ships progressively as of Monday October 30<sup>th</sup>, 2023, with the return-to-work of employees at 07:00 am. “We have in hand an agreement that’s fair for workers and secures a strong and stable future for the Seaway,” said SLSMC President and CEO Terence Bowles. “We know that this strike has not been easy for anyone, and value the patience and cooperation of our marine industry bi-national partners; carriers, shippers, ports, local communities and all those who depend on this vital transportation corridor on both sides of the Canada-U.S. border”.

### **2. The Government of Canada announces increased marine pollution surveillance in Canada’s North**

On October 31, 2023, the Minister of Transport, the Honourable Pablo Rodriguez, and the Minister of Public Services and Procurement, the Honourable Jean-Yves Duclos, announced that a contract has been awarded to Pilitak Enterprises Ltd., an Inuit company, to construct a new National Aerial Surveillance Program (NASP) aircraft hangar in Iqaluit, Nunavut. The contract is valued at \$45,923,850 and construction will continue over the next 18 months. This funding will create local training and good job opportunities for the community during the construction. The new Arctic NASP hangar will make it possible to conduct more operations, particularly for the safety of marine transportation throughout the year in the Arctic. Aerial surveillance is considered the most effective way to detect spills of hydrocarbons, such as oil.

### **3. Panama Canal experiences the driest month of October since 1950**

The month of October 2023 is the driest since the earliest registers, 73 years ago. The drought caused by the El Niño phenomenon continues to impact the Panama Canal’s reservoir system and, as a result, water availability has been

reduced. What has happened? In 2023, there has been 41% less rainfall than usual, lowering Gatun Lake to unprecedented levels for this time of year. Therefore, with less than two months left until the end of the rainy season, the Canal and the country face the challenge of the upcoming dry season with a minimum water reserve that must guarantee supply for more than 50% of the population and, at the same time, maintain the operations of the interoceanic waterway.

## **WATER TRANSPORTATION Canada**

1. St. Lawrence Seaway reopening as tentative agreement reached with union, October 30, 2023, [www.ajot.com](http://www.ajot.com)
2. The Government of Canada announces increased marine pollution surveillance in Canada’s North, October 31, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
3. Panama Canal experiences the driest month of October since 1950, November 1, 2023, [www.ajot.com](http://www.ajot.com)
4. Total volume holds steady in September at the Port of NY and NJ, November 2, 2023, [www.ajot.com](http://www.ajot.com)
5. Brunswick auto, machinery volumes up 61 percent in September, November 2, 2023, [www.ajot.com](http://www.ajot.com)
6. St. Lawrence Seaway’s Unifor workers ratify three-year deal, November 3, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
7. Biden-Harris Administration Invests More Than \$653 Million in Ports to Strengthen American Supply Chains, November 3, 2023, [www.dot.gov](http://www.dot.gov)
8. Carrier consolidation, NVO competition weigh on shipper association growth, November 6, 2023, [www.joc.com](http://www.joc.com)
9. A record number of supertankers is headed to collect US oil, November 6, 2023, [www.ajot.com](http://www.ajot.com)
10. Great Lakes reports third quarter 2023 results, November 7, 2023, [www.ajot.com](http://www.ajot.com)
11. Could Mean Unusual Holiday Shopping Season Ahead, November 6, 2023, [www.railwayage.com](http://www.railwayage.com)
12. Maersk lays off 10,000, November 8, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
13. Container shipping bracing for downturn, Hapag-Lloyd chief says, November 9, 2023, [www.ajot.com](http://www.ajot.com)



#### 4. Total volume holds steady in September at the Port of NY and NJ

In September 2023, the Port of New York and New Jersey recorded 660,553 TEUs (363,853 containers), a 21.6 percent decline in total volume compared to the previous year's 842,219 TEUs (465,685 containers). This number brings the seaport's total volume for the year through September to 5,789,116 TEUs (3,211,306 containers). The numbers reflect a resetting of cargo volumes following record setting years in 2021 and 2022. Imports declined in September 2023 compared to the previous year, totaling 339,033 TEUs (186,994 containers) and 423,424 TEUs (234,352 containers) in September 2022, a 19.9 percent decrease. Since January, imports at the Port of New York and New Jersey reached 2,957,589 TEUs (1,642,028 containers) versus 3,768,729 TEUs (2,086,350 containers) during the same period of 2022, a 21.5 percent decrease. Exports remained steady in September 2023 compared to 2022, totaling 100,379 TEUs (54,032 containers) and 103,263 TEUs (56,429 containers), a 2.8 percent decrease. From January through September, the Port of New York and New Jersey exported 957,931 TEUs (517,866 containers), a 1.6 percent drop from the 973,768 TEUs (527,291 containers) recorded during the same period of 2022.

#### 5. Brunswick auto, machinery volumes up 61 percent in September

Auto and machinery volumes saw a sharp increase at the Port of Brunswick in September 2023. Colonel's Island Terminal handled 70,645 units of Roll-on/Roll-off cargo, up 61 percent or 26,750 units compared to the same month last year. "The automotive sector has been especially strong and consumer demand is driving this trend. Our investments in infrastructure capacity are well-timed to support the growing business in our Brunswick gateway," said Georgia Ports President and CEO Griff Lynch. Two new buildings to serve auto and machinery processing were recently completed at Colonel's Island Terminal at the Port of Brunswick. The autoport handled more than 70,000 units of Roll-on/Roll-off cargo in September 2023. To accommodate growing volumes, the Port of Brunswick is undergoing improvements totalling more than \$262 million. Expansions include a total of 640,000 square feet of auto and machinery processing space across five new buildings, including 350,000 square feet of near-dock warehousing that is now complete. GPA is also developing another 122 acres of Roll-on/Roll-off cargo storage space.

#### 6. St. Lawrence Seaway's Unifor workers ratify three-year deal

Unifor members at the St. Lawrence Seaway Management Corporation (SLSMC) have ratified a three-year collective agreement, according to a news release. Unifor said the maintenance, operations and clerical group voted 85% in favor, and the supervisory group voted 87% in favor. The ratification follows a strike by 360 employees that halted transit along the seaway from Oct. 22, 2023 to the morning of Oct. 30, 2023. "I congratulate the members of the St. Lawrence Seaway on their new collective agreements and Unifor is committed to making this the start of a better and more respectful workplace for our members," said Lana Payne, Unifor National president. "The collective agreement reflects the important contributions Seaway employees make every day to keep this critical transportation corridor moving and delivering for local, regional and binational economies," SLSMC president and CEO Terence Bowles said in a news release.

#### 7. Biden-Harris Administration Invests More Than \$653 Million in Ports to Strengthen American Supply Chains

On, November 3, 2023, the U.S. Department of Transportation's Maritime Administration (MARAD) announced over \$653 million to fund 41 port improvement projects across the nation under the Port Infrastructure

Development Program (PIDP). As part of President Biden's Investing in America agenda – a key pillar of Bidenomics – this funding will help grow capacity and increase efficiency at coastal seaports, Great Lakes ports, and inland river ports. A significant portion of domestic and international U.S. commerce by weight, (over 2.3 billion short tons) moves by water. The port improvement projects announced on November 3, 2023 that will strengthen supply chain reliability, create workforce development opportunities, speed up the movement of goods, and improve the safety, reliability and resilience of ports. These investments are part of the largest dedicated funding for ports and waterways in history – nearly \$17 billion through the President's Bipartisan Infrastructure Law.

#### 8. Carrier consolidation, NVO competition weigh on shipper association growth

14. It can now cost \$4 million to skip the queue at the Panama Canal, November 9, 2023, [www.ajot.com](http://www.ajot.com)
15. MSC announcement - GRI | General rate increase for Far East, November 13, 2023, [www.ajot.com](http://www.ajot.com)
18. Canada's Proposed Anti-Scab Legislation Stirs Controversy, November 15, 2023, [www.ajot.com](http://www.ajot.com)
16. Shipping shifts from jackpot to job cuts after \$364 billion boom, November 13, 2023, [www.ajot.com](http://www.ajot.com)
17. Maersk outlines measures to deal with new Panama restrictions, November 13, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
19. A US East Coast ports strike could happen in Fall '24 – Here's how to prepare, November 15, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
20. Port of Long Beach cargo numbers increase in October in encouraging sign, November 15, 2023, [www.cargonews.com](http://www.cargonews.com)
21. Port Houston breaks export record, November 17, 2023, [www.ajot.com](http://www.ajot.com)
22. Billionaire shipping scion warns of difficult time for industry, November 19, 2023, [www.ajot.com](http://www.ajot.com)
23. Global shipping's \$3.6 billion carbon bill is six weeks away, November 21, 2023, [www.aot.com](http://www.aot.com)
24. Sharp rise in Asia-Europe Q3 volumes discounted by last year's import slump, November 22, 2023, [www.joc.com](http://www.joc.com)
25. Port of Halifax: Accumulated container traffic (January to September 2023), November 23, 2023, [www.portofhalifax.ca](http://www.portofhalifax.ca)
26. How the Panama Canal is addressing the issue of water head on, November 26, 2023, [www.ajot.com](http://www.ajot.com)
27. Drewry Port throughput indices for November 2023, November 27, 2023, [www.ajot.com](http://www.ajot.com)
28. End of EU block exemption a 'missed opportunity' for regulators: ITF's Merk, November 28, 2023, [www.joc.com](http://www.joc.com)

Shippers whose allocations were cut during the pandemic peak in demand are now having to fight the urge to seek out bargain basement ocean freight pricing. Despite the downturn in ocean rates this year, procurement groups that aggregate shipper buying power have fewer options on any given port pair due to liner carrier consolidation in the mid-2010s. They also must contend with shippers shifting some of their volume to non-vessel-operating common carriers (NVOs) offering attractive spot rates. Those two dynamics cut against the notion that these groups, also called shipper associations, are in a position to easily grow their memberships in a market oversupplied with vessel capacity.

#### **9. A record number of supertankers is headed to collect US oil**

A record number of supertankers is steaming toward the US to load oil as shipowners look to capitalize on an increase in the nation's crude exports. Forty-eight vessels are bound for the country in the coming three months, according to data gathered November 3, 2023 by *Bloomberg*. That's the most in at least six years. The flow of vessels illustrates the changing energy landscape as the US pumps more crude than ever before and the Organization of Petroleum Exporting Countries and its allies seek to prop up the market with supply curbs. US crude exports have surged this year, government data show. US producers are increasingly sending low-sulfur "light-sweet" oil overseas, while many domestic refiners prefer to fill their slates with heavier grades that yield more diesel-type fuels. The nation lifted its decades-old restrictions on crude exports in 2015. "US slate-optimization is forcing further volumes of US light sweets to the waterborne market," said Richard Price, an oil markets analyst at Energy Aspects Ltd.

#### **10. Great Lakes reports third quarter 2023 results**

Great Lakes Dredge & Dock Corporation ("Great Lakes" or the "Company"), the largest provider of dredging services in the United States, on November 7, 2023 reported financial results for the quarter ended September 30, 2023. Third Quarter 2023 Highlights: 1. Revenue was \$117.2 million for the third quarter; 2. Total operating loss was \$5.1 million for the third quarter; 3. Net loss was \$6.2 million for the third quarter; and 4. Adjusted EBITDA was \$5.3 million for the third quarter. Lasse Petterson, President and Chief Executive Officer commented, "The third quarter, as expected, was a challenging quarter due to vessel drydocks and idle equipment due to market delays from 2022 and the first half of 2023. Despite the challenges, we continued to bid on projects and build a solid backlog for the fourth quarter and for 2024. Great Lakes ended the quarter with \$1.03 billion of dredging backlog, which does not include approximately \$50.0 million of performance obligations related to offshore wind contracts and \$225.0 million in low bids and options pending award..."

#### **11. Could Mean Unusual Holiday Shopping Season Ahead**

A glut of goods arriving over the past few years, including the CMA CGM Marco Polo's May 2021 arrival shown here, has led to jam-packed warehouses and rampant discounts this holiday season. Santa is putting his elves to work earlier than ever this year. While the so-called "Christmas creep" phenomenon is an annual topic of debate, this year shoppers may find ample opportunity for ahead-of-schedule holiday shopping with discounts galore. Retailers are predicting an even earlier-than-usual start to the holiday shopping season, at least partially thanks to the unusual shipping trends of the past few years seen at cargo gateways such as the Port of New York and New Jersey leading to some jam-packed warehouses and excess inventory. As a result, retailers may be willing to give deep discounts to see those items finally leave their warehouses.

#### **12. Maersk lays off 10,000**

Maersk has announced that by early 2024 it will have laid off 10,000 of its staff. The company reported revenues in Q3 2023 that were US\$10 billion below revenues for the same period in 2022. It also reported margin had declined by 4.4 percent. While this result is in line with market conditions, the liner company said it expects global container volume growth will be in the range of -2 percent to -0.5 percent, compared to -4 percent to -1 percent previously. Ocean expects to grow in line with the market. "Our industry is facing a new normal with subdued demand, prices back in line with historical levels and inflationary pressure on our cost base. Since the summer, we have seen overcapacity across most regions triggering price drops and no noticeable uptick in ship recycling or idling. Given the challenging times ahead, we accelerated several cost and cash containment measures to safeguard our financial performance," Vincent Clerc, Maersk CEO, said in a statement.

#### **13. Container shipping bracing for downturn, Hapag-Lloyd chief says**

The container shipping industry faces a few years of headwinds as low freight rates, a weak European economy and widening geopolitical turmoil cloud the outlook, the head of the world's fifth-biggest carrier said. "I'm certainly concerned about the next 24-36 months because I think we are going to see a downturn," Hapag-Lloyd AG Chief Executive Officer Rolf Habben Jansen said in an interview on November 9, 2023. "I do expect that the market is going to remain under significant pressure." Rates to transport goods in containers are hovering at unsustainably low levels, and it's impossible to say when that will turn around, he said. "I don't know if it's a price war, but it's certainly low prices," Jansen said, noting that the company has already announced the suspension of some services. Still, when it comes to the volume of shipments, "I'm probably a little bit more on the optimistic side because I do think we are going to see reasonable growth, both in the fourth quarter but also in 2024," he said.

#### **14. It can now cost \$4 million to skip the queue at the Panama Canal**

A logjam at the Panama Canal is leaving shipowners hauling everything from fuels to grains between the US and Asia with no good options - spend weeks waiting at sea, sail around South America, or pay an exorbitant amount to jump the queue. Japan's Eneos Group forked out \$3.98 million in an auction on November 8, 2023 to secure a crossing, bidding documents show. Shipbrokers said Sunny Bright, the company's liquefied petroleum gas tanker, got a slot to cross the congested waterway in the north-bound direction on Nov. 15, 2023. It had previously discharged the fuel it was carrying in China. The additional fee will be on top of the regular transit charges, which can amount to hundreds of thousands of dollars. The congestion is being caused by a drought in Panama, which has lowered water levels on the canal, disrupting trade between the US and Asia in the weeks ahead of Christmas and beyond.

#### **15. MSC announcement - GRI | General rate increase for Far East**

Effective December 10th, 2023, for all export cargo originating from Houston, New Orleans, Mobile, and Portland to the Far East a general rate increase will apply to all service contracts, tariff items, and exempt commodities.

#### **16. Shipping shifts from jackpot to job cuts after \$364 billion boom**

Consumers gearing up to buy the latest imported appliances, clothes or electronic gadgets this holiday season might want to spare a thought for the companies that will struggle to make money for the next few years hauling products across the ocean. That's because the container shipping industry, cast as the Grinch that spoiled Christmas over the past two years with record-high freight rates and slow deliveries, is returning to its pre-pandemic place in the corporate world: perennial underachiever Charlie Brown. The biggest carriers posted net income totaling \$364 billion in 2021 and 2022, according to figures compiled by industry veteran John McCown, after a decade of scant profits. They'll likely drift back into the red this quarter as the rates they charge fall below costs and look to stay there for the foreseeable future. Booms-turned-busts have been more abrupt and sensational, but rarely has an established industry so tied to the global economy lurched from historic profits to below break-even levels more directly than the shipping lines that move 80% of the world's merchandise trade have this year. After Covid's massive demand shock, the culprit now is too much supply. "I'm certainly concerned about the next 24 to 36 months," Rolf Habben Jansen, chief executive officer of Hamburg-based Hapag-Lloyd AG, said in an interview last week. "We are going to see a downturn."

#### **17. Maersk outlines measures to deal with new Panama restrictions**

Maersk has issued a customer bulletin outlining its responses to new measures announced by the Panama Canal Authority (PCA) due to the prolonged dry season and insufficient precipitation in the Canal watershed. The PCA has reduced the daily transit capacity to about 32 vessels per day since July 30, 2023. Most recently, the PCA announced new limits that are likely to lead to fewer than 24 passages a day in November, and as of February 1, 2024, until further notice, the number of booking slots will be reduced to 18 per day.

#### **18. Canada's Proposed Anti-Scab Legislation Stirs Controversy**

The Canadian government has introduced legislation which proposes to ban the use of replacement workers during a strike or lockout in federally regulated sectors including ports, railway transportation, banking, and telecommunications. The long-anticipated initiative late last week drew rapid approval from labour union circles but sharp criticism from industry groups ranging from small business to manufacturers and grain exporters. In the past few years, unionized docker strikes at the British Columbia ports of Vancouver and Prince Rupert (summer 2023) and Montreal (2020 and 2021) disrupted billions of dollars of trade and wreaked havoc on supply chains. Today, 80 longshore workers have been locked out by employers at the Port of Quebec since September 2022. Perrin Beatty, President of the Canadian Chamber of Commerce, has pointed out that, though rarely used, replacement workers permit organizations in sectors like trucking, rail, ports, telecom, and air to preserve critical services. The Canadian Federation of Independent Business (CFIB) has labelled Bill C-58 as "terrible news for small businesses." "If passed, this bill could prolong the duration of strikes and increase their frequency," commented Jasmin Guenette, CFIB's vice-president.

#### **19. A US East Coast ports strike could happen in Fall '24 – Here's how to prepare**

With a six-year agreement between longshoremen and East Coast US ports set to expire on September 30, 2024, the International Longshoremen's Association (ILA) union says its members should prepare for a strike on October 1, next year. "Members should prepare for the possibility of a coastwide strike in October 2024," the union, which represents 45,000 East and Gulf Coast dockworkers, warned in a press release. "The union will hold firm on its pledge not to extend the contract beyond its expiration date." Glenn Kopeke, who is general manager of network collaboration at FourKites, shared his analysis and advice on the situation in a recent interview.

#### **20. Port of Long Beach cargo numbers increase in October in encouraging sign**

On the heels of its busiest September on record, the Port of Long Beach logged a hike in cargo numbers for October 2023 as well, thanks to holiday goods continuing to arrive. The October 2023 figures were released by the port on Wednesday, Nov. 15, 2023. "Cargo is rebounding," said Port CEO Mario Cordero, adding that the efforts continue in collaboration "with our industry partners to recapture market share and invest in infrastructure that will position us for

future growth.” A total of 755,150 twenty-foot equivalent units (TEUs, the industry’s cargo measurement standard) were processed through the Port of Long Beach in October. That was a 14.7% increase compared to October 2022 and the second consecutive month of cargo increases at the port. Imports increased 23.76% to 363,000 TEUs while exports decreased 24.8% to 90,073 TEUs. “We are anticipating moderate growth through the rest of the year,” Cordero said in written remarks, “as retailers continue to stock shelves for the winter holidays.”

#### **21. Port Houston breaks export record**

October 2023 was the biggest month ever for loaded exports at Port Houston, up 6% compared to last October. Port Houston’s loaded exports are up 10% year-to-date, reaching 1,151,638 twenty-foot equivalent units (TEUs) through October 2023. These exports are primarily resins and chemicals. Port Houston is the top resins port in the nation as well as home to North America’s largest petrochemical cluster. Loaded import volumes at Port Houston in October 2023 were down 4% compared to October 2022 and are down 7% for the year as compared to last year. Compared to pre-pandemic volumes, however, total container imports are up 32% through October compared to the same period in 2019. Total container volumes for the first ten months of this year total 3,201,958 TEUs – a slight decrease of 4% compared to last year’s record volumes.

#### **22. Billionaire shipping scion warns of difficult time for industry**

Rodolphe Saade, the billionaire head of the world’s third-largest container line, warned the industry is entering a choppy period as new vessels ordered during the pandemic shipping boom enter service in 2024. “The difficulty in our sector is that we have a number of container ships that will come into the market starting next year and that runs the risk of creating an imbalance between supply and demand,” Saade, the chief executive officer of Marseille-based shipping giant CMA CGM SA, said in an interview. He was speaking on November 17, 2023 at an event in Paris to mark the creation of a nonprofit artificial-intelligence research lab that’s being backed by the company his family controls. The outlook for the shipping sector has darkened considerably in recent months, with some of the largest container lines including A.P. Moller-Maersk A/S, Hapag-Lloyd and CMA CGM publishing significant slumps in third-quarter earnings and outlining plans for cost cutting. Some have said they fear the decline will last through 2024.

#### **23. Global shipping’s \$3.6 billion carbon bill is six weeks away**

Ships sailing to European ports face a combined carbon emissions bill of \$3.6 billion next year (2024), the start of a levy that’s almost certainly going to rise as the continent steps up efforts to combat climate change. The figure is an estimate of the total price of complying with the European Union’s Emissions Trading System from Drewry Shipping Consultants Ltd. Under the regulation, which takes effect Jan. 1, 2024 vessels going into and out of EU ports must pay for their carbon pollution, affecting deliveries of everything from container loads of finished goods to the liquefied natural gas needed to keep homes warm in winter. The global shipping industry spewed more than a billion tons of CO2 into the atmosphere in 2018 and is almost exclusively powered by oil-derived fuels, which are significantly cheaper than low carbon alternatives. Folding it into the ETS is part of the EU’s plan to decarbonize the sector to combat climate change. Despite stretching into the billions, the bill is a sliver of the revenues generated by international shipping and is unlikely to have a major impact on the prices consumers ultimately pay for goods. Last year, container giant A.P. Moller-Maersk A/S alone enjoyed profit just shy of \$30 billion.

#### **24. Sharp rise in Asia-Europe Q3 volumes discounted by last year’s import slump**

Container volume from Asia to Europe rose almost 13% in the 2023 third quarter year over year, particularly to Mediterranean destinations, but the comparisons are heavily skewed by the steep slowdown in demand seen during the same period last year. Third-quarter Asia to North Europe volume was up 5% year over year at 2.7 million TEUs, Asia-West Mediterranean and North Africa volume of 780,000 TEUs was up 14% and Asia to the East Mediterranean and Black Sea volume of 865,000 TEUs was an increase of 43%, according to Container Trades Statistics (CTS). Overall, Asia-Europe volume increased 12.9%.

#### **25. Port of Halifax: Accumulated container traffic (January to September 2023)**

For the Port of Halifax, for the 2023 third quarter, total container traffic in TEUs changed -12.9% i.e. to 144,328 from 165,672. Total import traffic for the third quarter of 2023 changed -11.0% i.e. to 78,388 from 88,073. Total export traffic for the third quarter of 2023 changed -15.0% i.e. to 65,940 from 77,599. For the period January to September 2023, total container traffic in TEUs changed -8.7% i.e. to 409,436 from 448,575. Total import traffic for the January to September 2023 changed -10.2% i.e. to 213,213 from 237,449. Total export traffic for the January to September 2023 changed -7.1% i.e. to 196,223 from 211,126.

#### **26. How the Panama Canal is addressing the issue of water head on**

The Panama Canal has been a diligent steward of its most precious resource—water, dedicating extensive research and investments to its management. However, 2023 has recorded some of the highest temperatures in history, causing far-reaching consequences for millions around the world. For the Panama Canal, it has been no different. Elevated temperatures in the Atlantic Ocean, compounded by the presence of the El Niño phenomenon and the delayed onset of the rainy season, have directly impacted the levels of freshwater in the Canal’s reservoirs, which are essential for its

operations. The Panama Canal takes the issue of water scarcity very seriously and is committed to exploring all solutions available to minimize the impact on our operations. Our current operational strategy is focused on saving water while ensuring reliability on transit for our customers around the world. For that, transparency in communicating with customers is critical. We are being proactive in letting the industry know of any adjustments that have been required under these challenging circumstances and will continue to do so. As of today, all transits that have been booked ahead of time are going through the Canal on schedule. That is why we urge our customers to make reservations ahead of time, so the measures we put in place are reliable for everyone.

### **27. Drewry Port throughput indices for November 2023**

The Drewry Container Port Throughput Indices are a series of calendar adjusted volume growth/decline indices based on monthly throughput data for a sample of over 340 ports worldwide, representing over 80% of global volumes. The base point for the indices is January 2019 = 100. Drewry has developed a nowcasting model that uses vessel capacity and terminal duration data (derived from our proprietary AIS model) to make short-term predictions of port throughput. Drewry's latest assessment for November 2023 is as follows: 1. The MoM rise in volumes in September 2023 across the majority of regions – but especially North America, Greater China and Asia, (excl. China) – resulted in a 1.9% increase in the Global Container Port Throughput Index to 112.0 points. However, a steep reduction in port calls in October underpins the 8.4% MoM / 3.4% YoY reduction in October 2023, as indicated by Drewry's Nowcasting Model. 2. The Asia (excluding China) Container Port Throughput Index hit new highs in September 2023, up 2.6% to 109.5 points, 7.4% ahead of last year. The rolling 12-month average growth rate in September 2023 was -0.5%, slightly above the global average growth rate of -0.8%. Drewry's Nowcast Model indicates that volumes will have decreased significantly in October 2023, falling 8.6% MoM. 3. The North American Container Port Throughput Index jumped 7.4% MoM, reaching 109.1 points in September 2023, but remained 1.5% lower than in September 2022. The rolling 12-month average growth rate fell further into negative territory in September 2023, down to -12.5%, significantly below the global average of -0.8%. 4. In September 2023, the European Container Port Throughput Index rose 1.2% MoM to 100.9 points, but remained 0.7% below September 2022 levels. The downturn is widespread - stretching from Gdansk (-10.1% YoY), through Rotterdam (-5.4% YoY) and Antwerp-Bruges (-13.6% YoY), to Valencia (-5.3% YoY) and Marseilles-Fos (-18.4% YoY).

### **28. End of EU block exemption a 'missed opportunity' for regulators: ITF's Merk**

The European Commission in October decided not to renew the Consortia Block Exemption Regulation that has been in force since 2009. An outspoken critic of the European block exemption for container line consortia says the apparent limited impact its removal will have on container shipping alliances reveals the regulation's inherent weakness and the greater unwillingness from competition regulators to monitor the industry. Olaf Merk, administrator for ports and shipping at the International Transport Forum, a unit of the Organization for Economic Co-operation and Development (OECD), has long called for Europe's regulators to pay greater attention to the carriers' exemption from European competition law.

## **RAIL TRANSPORTATION**

### **1. Ontario Completes New and Improved Old Elm GO Station**

The Ontario government on October 27, 2023 announced that it has completed major infrastructure upgrades to the new Old Elm GO Station, as part of its plan to provide better service and more connections to transit, jobs and housing across York Region. "As Ontario's population grows, our government is focused on delivering better and faster public transit to keep commuters and our economy moving," said Prabmeet Sarkaria, Minister of Transportation. "With the new and improved Old Elm GO Station, we've officially completed three major GO station improvement projects along the Stouffville Line in just the last month, proof that we're getting it done for the people of York Region."

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

Data for October 2023 for the Freight Rail Services Price Index (2018=100) are now available on *Statistics Canada* website. The index for October 2023 is 130.8 compared to 124.9 for September and 127.0 for October 2022.

### **3. CN announces US\$600 Million Debt Offering**

CN on October 30, 2023 announced a public debt offering of US\$600 million comprised of US\$300 million 5.850% Notes due 2033 and US\$300 million 6.125% Notes due 2053. CN expects to close the offering on November 1, 2023, subject to customary closing conditions. CN plans to

## **RAIL TRANSPORTATION**

### **Canada**

1. Ontario Completes New and Improved Old Elm GO Station, October 27, 2023, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
2. Freight Rail Services Price Index, October 2023, October 31, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
3. CN announces US\$600 Million Debt Offering, October 30, 2023, [www.cn.ca](http://www.cn.ca)
4. CPKC Consolidating Gains in Mexico Efficiency, October 30, 2023, [www.railwayage.com](http://www.railwayage.com)
5. IANA third quarter 2023 intermodal volume, October 30, 2023, [www.ajot.com](http://www.ajot.com)
6. Union Pacific invested \$275M to support customer growth in Southern California, October 31, 2023, [www.ajot.com](http://www.ajot.com)
7. Safety: Number 1 Concern of the Railroad Industry!, October 31, 2023, [www.railwayage.com](http://www.railwayage.com)
8. CN Announces Nova Scotia Partnership with Genesee & Wyoming, November 1, 2023, [www.cn.ca](http://www.cn.ca)
9. Rail traffic for October and the week ending



use the net proceeds from the offering for general corporate purposes, which may include the redemption and refinancing of outstanding indebtedness, share repurchases, acquisitions and other business opportunities. The debt offering is being made in the United States under an effective shelf registration statement dated May 4, 2022.

#### **4. CPKC Consolidating Gains in Mexico Efficiency**

Last week *Railway Age* highlighted a big drop in terminal dwell in Mexico as evidence that CPKC's broader Mexican operation is finally turning around, after a year in the doldrums. *Our Oct. 23 report* came with some caveats, including the fact that it was just one week's worth of data. We've since got a second week, which largely reinforces the new trend. Terminal dwell at Sanchez Yard, near the border, fell again from 27 to 23.5 hours and is now below its three-year trailing average of 24.7. Monterrey deteriorated a little, from 30.4 to 33 hours (vs. a trailing average of 30.4, so not terrible) and San Luis Potosi deteriorated from 6 to 8.8 hours.

#### **5. IANA third quarter 2023 intermodal volume**

Total intermodal volume fell 7.1 percent in the 2023 third quarter compared to the same quarter of 2022. It was the ninth consecutive quarterly decline in intermodal output year-over-year. While domestic container originations grew 1.6 percent, loadings of international containers contracted 13.2 percent, and trailers continued to fall, this time by 23.3 percent. Total shipments did come in at 4.2 million, the most of the first three quarters of 2023, and next quarter, they are expected to see somewhat favorable comparisons given the weaker performance in the fourth quarter of 2022. Intermodal currently faces a number of headwinds. Despite the strong performance of the overall economy, certain freight-related economic components, such as imports of goods and inventory rebuilding, remain sluggish. Key sectors like housing and manufacturing also continue to show muted activity. In response, truckers have reduced their rates to attract shippers and gain a larger share of the shrinking freight market. Also, inflation-adjusted retail inventories (less automotive) are roughly 13 percent higher compared to pre-pandemic peaks. This plays a key role in the decreased demand for freight as retailers and wholesalers sit on out-of-season product and overbought, pandemic-related items.

#### **6. Union Pacific invested \$275M to support customer growth in Southern California**

Additional investments are underway or planned in coming years. "We are committed to building and delivering on the service we promise our customers," said Union Pacific CEO Jim Vena. "This vital transportation corridor connects the U.S. to the world, and we're positioned to provide service safely and reliably." Union Pacific plans to add more than one million in lift capability to its intermodal terminal ramps over the next few years, with a significant portion of growth anticipated in the L.A. Basin. In addition to the \$275 million, Union Pacific is investing significantly in additional infrastructure upgrades in Southern California including investments in the Fritz Inland Empire Intermodal Terminal to increase capacity and provide quicker customer service. "Our investment strategies in Southern California underscore our commitment to improving network fluidity and providing unparalleled service to our customers as promised," said *Eric Gehringer*, executive vice president of Operations at Union Pacific.

#### **7. Safety : Number 1 Concern of the Railroad Industry!**

Railcars contain hundreds of parts and critical components that are inspected frequently to ensure safe and reliable operations for more than 1.6 million railcars traversing 200,000 miles of track in North America. Railroads and railcar owners seek advanced technologies to maintain safety, reliability and efficiency. Duos Technologies [Railcar Inspection Portal \(RIP®\)](#) is an advanced, AI-enabled railcar imaging system. It

October 28, November 1, 2023, [www.ajot.com](http://www.ajot.com); and AAR: Rail Volumes Up for Second Consecutive Month in October, November 1, 2023, [www.railwayage.com](http://www.railwayage.com)

10. BNSF: Helping to Fuel a Sustainable Tomorrow, November 6, 2023, [www.railwayage.com](http://www.railwayage.com)

11. President Biden Advances Vision for World Class Passenger Rail with \$16 Billion Investment in America's Busiest Corridor, November 6, 2023, [www.dot.gov](http://www.dot.gov)

12. AAR: North American Rail Volume Down Through 44 Weeks, November 8, 2023, [www.railwayage.com](http://www.railwayage.com)

13. BNSF and coal exporter reach settlement, November 10, 2023, [www.freightwaves.com](http://www.freightwaves.com)

14. JB Hunt, BNSF and GMXT to launch Mexico-to-Midwest intermodal service, November 13, 2023, [www.freightwaves.com](http://www.freightwaves.com)

15. CPKC Mexico Dwell Still in Free-Fall, November 13, 2023, [railwayage.com](http://railwayage.com)

16. CN's Tracy Robinson Named Railway Age's 2024 Railroader of the Year, November 13, 2023, [www.cn.ca](http://www.cn.ca)

17. Rebuilt Power for Quebec's SOPOR, November 13, 2023, [www.railwayage.com](http://www.railwayage.com)

18. CN Recognizes 68 Customers, Suppliers and Supply Chain Partners under EcoConnexions Partnership Program, November 15, 2023, [www.cn.ca](http://www.cn.ca)

19. Amtrak-VIA Rail May Return to Detroit River Tunnel After 56 Years, November 14, 2023, [www.railwayage.com](http://www.railwayage.com)

20. Week 45: U.S. Rail Traffic Above 2022 Levels, November 15, 2023, [www.railwayage.com](http://www.railwayage.com)

21. BNSF Adds Three Certified Sites, November 16, 2023, [www.railwayage.com](http://www.railwayage.com)

22. CPKC statement on Mexican Federal Government draft decree on passenger service, November 17, 2023, [www.cpkc.ca](http://www.cpkc.ca)

23. Railway carloadings, September 2023, November 21, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)

24. Railroads creating new services to win back market share from trucking, November 20, 2023, [www.joc.com](http://www.joc.com)

25. Freight rail execs seeing some 'green shoots' for beleaguered sector, November 21, 2023, [www.freightwaves.com](http://www.freightwaves.com)

26. Congress steps into debate over jurisdiction of rail fees for ocean containers, November 20, 2023, [www.joc.com](http://www.joc.com)

27. Edmonton Valley Line Southeast Opens, November 21, 2023, [www.railwayage.com](http://www.railwayage.com)

28. AAR: North American Rail Volume Down Through 46 Weeks, November 22, 2023, [www.railwayage.com](http://www.railwayage.com)

29. Register on the CBSA CARM Client Portal Now November 24, 2023, [www.cn.ca](http://www.cn.ca)

30. Railroads take on EPA's pollution-reporting proposal, Nov. 24, 2023, [www.freightwaves.com](http://www.freightwaves.com)

31. The Canadian Transportation Agency issues an administrative monetary penalty to the Canadian National Railway Company for failure to comply with an Order, November 28, 2023, [www.cta-otc.gc.ca](http://www.cta-otc.gc.ca)

produces high resolution images of railcars moving at track speeds. The wide array of images offer a 360° view of each railcar — including the undercarriage. An intuitive, graphical user interface allows mechanical railcar inspectors to scan trains, review railcars and perform detailed inspections rapidly. The RIP’s optional Artificial Intelligence (AI) detections help elevate inspections to a highly automated process. Professionally developed AI models are available to target and identify a wide variety of specific railcar defects, providing inspectors with alerts and notifications. Inspection time is reduced and immediately draws attention to targeted areas of interest.

#### **8. CN Announces Nova Scotia Partnership with Genesee & Wyoming**

CN on November 1, 2023 announced that it acquired from Genesee & Wyoming Inc., a stake in the Cape Breton & Central Nova Scotia Railway that includes 145 miles of active track. “We are proud to be partnering with Genesee & Wyoming to serve existing customers on this line. This partnership will further reinforce CN’s presence in eastern Canada where we believe there will be a growing role to play in the competitiveness of North American trade. It will also enable our network to reach new opportunities in the longer-term, further advancing our strategic agenda of accelerating profitable, sustainable growth.”

#### **9. Rail traffic for October and the week ending October 28**

The Association of American Railroads (AAR) on November 1, 2023 reported U.S. rail traffic for the week ending October 28, 2023, as well as volumes for October 2023. U.S. railroads originated 921,591 carloads in October 2023, down 0.3 percent, or 2,921 carloads, from October 2022. U.S. railroads also originated 1,075,731 containers and trailers in October 2023, up 2.2 percent, or 23,201 units, from the same month last year. Combined U.S. carload and intermodal originations in October 2023 were 1,997,322, up 1.0 percent, or 20,280 carloads and intermodal units from October 2022. In October 2023, nine of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with October 2022. Canadian railroads reported 95,880 carloads for the week, up 3.8 percent, and 70,444 intermodal units, down 7.1 percent compared with the same week in 2022. For the first 43 weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 6,843,396 carloads, containers and trailers, down 3.5 percent.

#### **10. BNSF: Helping to Fuel a Sustainable Tomorrow**

Used restaurant cooking oil, tallow and municipal solid waste might not be what most consider the next “big thing” given their “eww” factor, but these raw materials are gaining new respect as a solution to meeting the world’s needs for sustainable energy. That’s because they’re considered feedstocks, which are needed to produce biofuels, or renewable fuels. Feedstocks come from plants, algae and organic waste. Sources include corn, sugarcane, wood chips, sawdust, crop residues and more. Vegetable oils extracted from soybeans, canola, sunflowers and other seeds are also feedstocks. “Renewable fuels are becoming a game-changer as they’re an environmentally friendly alternative to fossil fuels,” Phillip Lowery, Director, Marketing for Agricultural Commodities at [BNSF](#), explained. “At one time, meat processing companies had a byproduct that they had to get rid of and now they have incentive to sell them to refiners.” Biofuel production is taking off, especially in places like California and Washington, states that have set low-carbon fuel standards and are offsetting those with tax incentives.

#### **11. President Biden Advances Vision for World Class Passenger Rail with \$16 Billion Investment in America’s Busiest Corridor**

On, November 6, 2023, the U.S. Department of Transportation’s Federal Railroad Administration (FRA) announced it has awarded \$16.4 billion for 25 passenger rail projects along the Northeast Corridor (NEC), a railroad line running between Boston and Washington, D.C. This particular line is one of the highest volume passenger rail corridors in the world and the busiest in the United States, with hundreds of thousands of daily riders. It also supports billions of dollars in annual economic activity, making it key to the national economy. Projects were selected through the Bipartisan Infrastructure Law’s Federal-State Partnership for Intercity Passenger Rail Program (Fed-State NEC).

#### **12. AAR: North American Rail Volume Down Through 44 Weeks**

North American rail volume for the first 44 weeks of this year (ending Nov. 4) on 12 reporting U.S., Canadian and Mexican railroads was 28,833,863 carloads and intermodal containers and trailers. Cumulative volume in the U.S. came in at 20,586,243 carloads and intermodal units, down 3.7% from 2022; in Canada, 7,008,124 carloads and intermodal units, down 3.4%; and in Mexico, 1,239,496 carloads and intermodal units, up 3.4%. For the week ending Nov. 4, 2023, U.S. Class I railroads moved a total of 484,757 carloads and intermodal units, down 1.7% from the prior-year period, according to the [AAR](#). This comprises 224,415 carloads—down 5.2% from 2022—and 260,342 containers and trailers—up 1.5% compared with last year. Canadian railroads reported 97,307 carloads for the week ending Nov. 4, 2023, up 2.5%, and 67,421 intermodal units, a 10.7% decline from the same week last year.

#### **13. BNSF and coal exporter reach settlement**

Western U.S. Class I railroad BNSF and coal producer Navajo Transitional Energy Co. (NTEC) have reached a settlement on NTEC’s claims it needs more service from BNSF to export coal. They told the Surface Transportation Board in a November 9, 2023 filing to postpone further action on the dispute until Jan. 8, 2024, which is when they expect the settlement to be concluded. NTEC and BNSF “have recently reached a settlement agreement to resolve the

matter,” the two said in the filing. They didn’t specify what the settlement terms were. NTEC had asked STB in April 2023 to enact an emergency service order against the railroad because the company claimed that BNSF is not meeting its end of the bargain to ship the volumes of coal that NTEC wants shipped.

#### **14. JB Hunt, BNSF and GMXT to launch Mexico-to-Midwest intermodal service**

BNSF, J.B. Hunt Transport Services and Grupo Mexico’s Ferromex (GMXT) are launching an intermodal service that they say will slash a day off transit time between Monterrey in Mexico and Chicago and offer opportunities for customers to grow into expanding markets in Mexico. The service will begin Jan. 1, 2024. Service will be offered between the Monterrey, Silao-Bajío and Pantaco-Mexico City regions and Chicago and the U.S. Midwest via the border gateway at Eagle Pass, Texas. The Dallas-Fort Worth area in Texas is also a potential interchange point with BNSF’s broader U.S. network. Utilizing Eagle Pass will also serve as an alternative option to the gateway at El Paso, Texas. The El Paso gateway is also serviced by BNSF, as well as Union Pacific.

#### **15. CPKC Mexico Dwell Still in Free-Fall**

Canadian Pacific Kansas City’s Sanchez Yard, near the U.S. border, continues to be on a roll. Yard dwell time fell for the fourth consecutive week, this time from 19.4 to 17.5 hours. Monterrey down ticked from 30.8 to 30.5 hours, and San Luis Potosí also went in the right direction, from 7.1 to 6.6 hours on average. (Remember, dwell here is heavily distorted by the inclusion of run-through trains that only change crews without processing cars.)

#### **16. CN’s Tracy Robinson Named Railway Age’s 2024 Railroader of the Year**

*Railway Age’s* 2024 Railroader of the Year Award, the 61<sup>st</sup> annual, goes to an experienced and highly respected North American rail industry leader: CN President and Chief Executive Officer Tracy Robinson. “Tracy Robinson continues the sweeping leadership evolution the railroad industry has been undergoing for the past few years,” said *Railway Age* Editor-in-Chief William C. Vantuono. “She continues to break new ground, bringing fresh ideas and a perspective based on change, growth and service. Tracy is leading CN during challenging times, strengthening and transforming the company and solidifying its position in the North American and global supply chains. While she brought many years of experience to CN, including leadership positions at Canadian Pacific and in Canada’s energy sector, she is dedicated to developing a new generation of railroaders from diverse backgrounds.”

#### **17. Rebuilt Power for Quebec’s SOPOR**

SOPOR (Société du port ferroviaire de Baie-Comeau) has taken delivery of a remanufactured locomotive at its Baie-Comeau facility, located on the St. Lawrence River on Quebec’s North Shore. SOPX 7306 is former Canadian Pacific EMD GP38-2 No. 7306, purchased in late 2022. The company invested C\$695,000 in the rebuild, rather than purchase a new unit. “It’s an optimal solution, both environmentally—since we’re recovering an existing locomotive and refurbishing it to reduce its environmental footprint in the future—and financially,” says SOPOR General Manager Cédric Bérubé.

#### **18. CN Recognizes 68 Customers, Suppliers and Supply Chain Partners under EcoConnexions Partnership Program**

On Nov. 15, 2023, CN recognized 68 of its customers, suppliers and supply chain partners for their enhanced and continued commitment to sustainability. This year, CN extended the program to its suppliers in recognition of the pivotal role they play in supporting CN’s day-to-day operations and in the advancement of the Company’s sustainability ambitions. Doug MacDonald, Executive Vice-President and Chief Marketing Officer said “CN is proud to celebrate the increased actions of our customers and supply chain partners who strive to operate more sustainably. Our aim is for CN’s EcoConnexions Partnership Program to be a vehicle of collaboration as we deepen relationships across our supply chain.”

#### **19. Amtrak-VIA Rail May Return to Detroit River Tunnel After 56 Years**

Canada’s VIA Rail confirmed Nov. 14, 2023 that it is engaged with Amtrak and other rail operators in discussions aimed at extending Amtrak’s existing Chicago-Detroit *Wolverine* service to Toronto’s downtown Union Station. Amtrak confirmed the same day that “We are in conversations with local, state and provincial officials about a proposed service.” Canadian Pacific Kansas City (CPKC) for its part deferred to the two publicly owned passenger railroads for comment. The scheme would see passenger trains returning to the 113-year-old Detroit River Tunnel owned by CPKC. A little remarked condition of the CPKC merger approval was that the merged railroad would open the tunnel to Amtrak, after years of frustrated efforts by Amtrak to revive direct Detroit-Toronto service, last operated in 1967. The CPKC merger was backed by Amtrak, which said the two railroads had been positive partners and would advance opportunities for new passenger services.

#### **20. Week 45: U.S. Rail Traffic Above 2022 Levels**

U.S. Class I railroads hauled 497,348 carloads and intermodal units for the week ending Nov. 11, 2023 (Week 45)—rising 3.4% from the prior-year period, the Association of American Railroads (AAR) reported Nov. 15, 2023. That total comprises 233,745 carloads, up 2.3% from the same week in 2022, and 263,603 containers and trailers, up 4.4% from 2022, according to the AAR. The last time there were increases in both carloads and intermodal volume was the

week ending Oct. 21, 2023: Carloads came in at 234,893, up 1.5% from 2022, and containers and trailers reached 271,092, up 2.1% from 2022. For the week ending Nov. 4, 2023, U.S. Class I's moved 224,415 carloads, down 5.2% from last year, and 260,342 containers and trailers, up 1.5% from last year. Seven of the 10 carload commodity groups posted an increase for the week ending Nov. 11, 2023, compared with the same week in 2022, the AAR reported. Canadian railroads reported 96,878 carloads for the week ending Nov. 11, 2023, a 6.9% gain, and 69,605 intermodal units, a 5.9% drop compared with the same week last year. For the first 45 weeks of 2023, they reported cumulative rail traffic volume of 7,174,607 carloads, containers and trailers, down 3.3%.

#### **21. BNSF Adds Three Certified Sites**

Three locations on the BNSF network—two in Iowa and one in Kansas—have been designated as Certified Sites, part of the Class I railroad's Premier Parks, Sites and Transload Program, bringing the total to 35. The program's goal is to "provide an inventory of rail-served sites that are available for immediate development." BNSF described the Premier Parks, Sites and Transload Program as "a strategic approach to addressing the increasing demand for customer site locations by developing various types of facilities across BNSF's network." To be considered, BNSF said sites must undergo "a thorough analysis, which includes an evaluation of environmental and geotechnical standards, available utilities, site availability and existing and proposed infrastructure. An industry expert reviews BNSF Certified Sites to ensure accurate, reliable data." The newly designated Certified Sites are: 1. Fort Madison Industrial Site, Fort Madison, Iowa; 2. Mills Crossing Mega Site, Glenwood, Iowa; and 3. Astra Enterprise Park, De Soto, Kans.

#### **22. CPKC statement on Mexican Federal Government draft decree on passenger service**

Canadian Pacific Kansas City CPKC on November 17, 2023 issued the following statement on the draft decree concerning passenger rail service in Mexico issued by the Mexican Federal Government: CPKC is reviewing the draft decree and remains directly engaged with the Mexican Federal Government regarding potential passenger rail service on certain existing freight rail corridors. CPKC de México has previously reached an agreement with the Mexican Federal Government to perform a study of what is required for the proposed new passenger rail service on the right of way of the corridor between Mexico City and Querétaro. The draft decree, which is expected to become effective by November 20, 2023, also identifies the San Luis Potosí-Monterrey-Laredo corridor for the proposed passenger rail service. As required by our concession, CPKC de México will work closely with the Mexican Federal Government to evaluate passenger service on that corridor.

#### **23. Railway carloadings, September 2023**

In September 2023, Canadian railways transported 30.7 million tonnes of freight, down slightly (-1.9%) from September 2022. The overall freight volume remained just below the previous five-year average of 31.6 million tonnes for the month of September 2023. While shipments of iron ores and concentrates were down, carloadings of coal and certain non-metallic minerals registered strong gains.

#### **24. Railroads creating new services to win back market share from trucking**

North American Class I railroads and their partners are showing a flash of creativity not seen in years in launching new domestic, international and cross-border services in recent months. While the moves are more of a rail rejuvenation than a renaissance — railroads to some degree are still aligned with precision railroading principles — they are doing a more effective job juggling the interest of investors while providing new products to serve shippers. It's been a long path since CSX Transportation, Norfolk Southern Railway and Union Pacific Railroad were culling lanes in the name of "lane rationalization" and precision scheduled railroading (PSR). Railroads know the new services they provide shippers will only draw market share away from trucks if they are reliable and consistent.

#### **25. Freight rail execs seeing some 'green shoots' for beleaguered sector**

The RailTrends conference for 2023, last week's gathering of many of the industry's operating executives as well as those who finance, analyze or try to sell goods and services to the sector, had a cautiously optimistic tone that rail may soon be able to start to snag some market share from the trucking industry. It's not a meeting at which unbridled optimism is usually present. Rail has not seen significant organic growth at the expense of 18-wheelers for a long time. That time span might be viewed as forever, if you have listened to some of the speakers at RailTrends over the years. RailTrends attendees cautiously optimistic that bad years may be behind industry, but the question is will growth emerge?

#### **26. Congress steps into debate over jurisdiction of rail fees for ocean containers**

US shippers could be a step closer to receiving clarity over which government agency should have oversight of the storage fees railroads charge for ocean containers as Congress looks to settle whether policing international intermodal freight should fall to the Federal Maritime Commission (FMC) or the Surface Transportation Board (STB). Rep. John Garamendi, D-Calif., is working on draft legislation that would "compel" the FMC and STB to draft a memorandum of understanding over which agency has authority over international intermodal freight, according to Rich Roche, a vice president at third-party logistics provider Mohawk Global and member of the FMC's.

#### **27. Edmonton Valley Line Southeast Opens**

Edmonton, the provincial capital of Alberta, finally welcomed its first passengers on the much-delayed Phase One of the Valley LRT project, on Saturday, Nov. 4, 2023. The eight-mile Valley Line Southeast is notable for two reasons: it operates Canada's longest LRVs; and is Edmonton's first low-floor LRT operation. As such, it is physically separate from the existing high-floor LRT lines. There is no track connection between the two operations.

### **28. AAR: North American Rail Volume Down Through 46 Weeks**

Through the first 46 weeks of 2023 (ending Nov. 18), total North American carload and intermodal traffic decreased 3.1% from the same point last year, the Association of American Railroads (AAR) reported Nov. 22, 2023. Both the U.S. and Canada experienced declines, while Mexico saw a gain. North American rail volume for the first 46 weeks of 2023 (ending Nov. 18) on 12 reporting U.S., Canadian and Mexican railroads was 30,221,325 carloads and intermodal containers and trailers. Cumulative volume in the U.S. came in at 21,585,007 carloads and intermodal units, down 3.4% from 2022; in Canada, 7,340,071 carloads and intermodal units, down 3.3%; and in Mexico, 1,296,247 carloads and intermodal units, up 4.1%. Canadian railroads reported 98,560 carloads for the week ending Nov. 18, 2023, up 3.7%, and 66,904 intermodal units, an 8.8% decline from the same week last year.

### **29. Register on the CBSA CARM Client Portal Now!**

By May 2024, all Canadian-resident and non-resident businesses that import goods into Canada and their Trade Chain Partners need to register on the Canadian Border Services Agency (CBSA) [CARM Client Portal](#). Moreover, if you use the service of a customs broker you must provide delegation of authority to continue to allow them to transact business on your behalf on the [CARM Client Portal](#). For any CN customers not registered, this means having their shipment: 1. held at the Canadian border or the location that it is bonded to; 2. charged for demurrage; 3. delaying all transborder rail and intermodal movements.

### **30. Railroads take on EPA's pollution-reporting proposal**

A Biden administration proposal to change how rail carriers report air emissions data is getting pushback not just from rail companies but from state government agencies as well. The Environmental Protection Agency's [proposed rule](#), issued in August 2023, is considering making rail yard locomotive activity reporting mandatory as opposed to the current voluntary reporting structure. The reporting of locomotive activity is aimed at improving air quality in local communities. EPA notes in its proposal that the current approach to informing its National Emissions Inventory, a triennial estimate of air pollution sources, relies on voluntary reporting from private rail companies. "While this approach has mutual benefit to both the EPA and those companies, it is nevertheless a voluntary measure," according to the agency, which is therefore considering a "rail companies" option "that would additionally regulate the rail companies directly to provide activity data to EPA."

### **31. The Canadian Transportation Agency issues an administrative monetary penalty to the Canadian National Railway Company for failure to comply with an Order**

On November 28, 2023, the Canadian Transportation Agency (CTA) has issued an administrative monetary penalty totalling \$75,000 against the Canadian National Railway Company (CN) for failure to comply with a CTA [order](#). This penalty is for incidents that occurred in July 2023. On July 10, July 11 and July 13, 2023, CN failed to comply with a CTA order under subsection [95.3\(1\)](#) of the *Canadian Transportation Act*. The CTA had ordered CN trains to cease arriving at a derail switch on the Waterloo Spur between Kitchener and Elmira, Ontario, before receiving clearance to do so. Failure to do so resulted in idling at the derail switch, therefore contravening subsection 95.3(1) of the *Canadian Transportation Act*. CN has 30 days to request a review before the Transportation Appeal Tribunal of Canada.

## **HIGHWAY TRANSPORTATION**

### **1. Atlantic Carriers Pressured by Driver Inc & Economic Headwinds: APTA**

Chris McKee, executive director of the Atlantic Provinces Trucking Association (APTA) warned that unscrupulous Driver Inc. companies that cheat on taxes and manipulate workers are expanding their presence in Atlantic Canada. This business model, "is not good for our industry, illegal, not a level playing field, and detrimental to carriers that go by the book," he said during APTA's conference in Charlottetown on Oct. 19, 2023. Trucknews.com reports how McKee explained how the practice is growing in eastern Canada. Trevor Bent, APTA's past chairman said it is

increasingly important to squash the practice to maintain a competitive balance within the marketplace. He added that carriers that have been in business for decades are going to have to make tough decisions. "The practice of creating corporations to skirt your responsibilities – payroll, tax remittances – is not lending to an overall healthy environment within the trucking industry nor is it lending to a positive sustainable one socially."

## **HIGHWAY TRANSPORTATION**

### **Canada**

1. Atlantic Carriers Pressured by Driver Inc & Economic Headwinds: APTA, October 27, 2023, [www.cantruck.ca](http://www.cantruck.ca)
2. Nova Scotia to delay ELD requirement for provincially regulated carriers, October 27, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
3. Couriers and Messengers Services Price Index, September 2023, October 31, 2023, [www.statcan.gc.ca](http://www.statcan.gc.ca)
4. Ontario looks to extend gas, fuel tax rate cuts, October 31, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)



## 2. Nova Scotia to delay ELD requirement for provincially regulated carriers

Nova Scotia's Registry of Motor Vehicles has advised that the province is putting the brakes on electronic logging device (ELD) requirement for provincially regulated carriers in the province, according to an Atlantic Provinces Trucking Association news release. The requirement was originally scheduled to go into effect on Jan. 1, 2024. According to the province, "while the Department of Public Works (DPW) recognizes the potential benefits of requiring carriers operating only in Nova Scotia to install and use ELDs, we have decided to take some time to continue monitoring the implementation of the federal and other provincial/territorial mandates and seek industry input before making a final decision on the provincial approach. DPW remains committed to commercial vehicle safety and will communicate updates and consult with the industry as things progress." No future implementation date was provided, APTA said.

## 3. Couriers and Messengers Services Price Index, September 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for September 2023 from the *Statistics Canada* website. The index for September 2023 is 135.6 compared to 130.2 for August 2023 and 130.4 for September 2022.

## 4. Ontario looks to extend gas, fuel tax rate cuts

The Ontario government is looking to extend gasoline and fuel tax rate cuts to June 30, 2024, proposing legislation through its upcoming 2023 Fall Economic Statement. Since July 1, 2022, Ontario has lowered the gasoline tax by 5.7 cents per liter and the fuel tax by 5.3 cents per liter. The government is proposing to extend the rate cuts so the tax rate on gasoline and fuel (diesel) would continue to remain at nine cents per liter. "We know that every dollar helps, and this gas tax cut is another way we're keeping costs down for Ontario families and businesses," Premier Doug Ford said in a press release. "As we continue to deal with lingering inflation, our government is continuing to provide people and businesses relief at the pumps for another six months."

## 5. Rest Area Closures, Traffic Updates on Hwy 1 in BC, Rogers Pass

Traffic continues to increase on the Trans-Canada Highway. This creates additional year-round challenges in managing the highway and even more so in winter. Safety is the top priority. There are 135 avalanche paths that can affect the transportation corridor in the 43-km stretch through Glacier National Park. Safe stopping and parking areas are extremely limited in winter. Over the last few years, the combination of increased overall traffic volumes on the Trans-Canada Highway through Glacier National Park, and large transport trucks stopped or parked in the Rogers Pass summit area has elicited safety concerns from commercial drivers, the travelling public, and Parks Canada staff. Several measures were considered and implemented but issues persist. As a next step, the decision was made to implement a stopping restriction that will go into effect in fall, 2023. We would like to ensure that commercial vehicle drivers know where they can stop safely and are aware of parking restrictions in the Rogers Pass area. Currently these restrictions apply to all vehicles.

## 6. Ontario Economic Outlook Mirrors Province's Strong Focus on Key Infrastructure

Ontario Minister of Finance Peter Bethlenfalvy released on November 2, 2023, the *2023 Ontario Economic Outlook and Fiscal Review: Building a Strong Ontario Together*. The plan is said to focus on introducing new tools to help build critical infrastructure, continuing to attract investments and more jobs, and providing better services for people. Among the signature announcements was the establishment of the Ontario

5. Rest Area Closures, Traffic Updates on Hwy 1 in BC, Rogers Pass, October 31, 2023, [www.cantruck.ca](http://www.cantruck.ca)
6. Ontario Economic Outlook Mirrors Province's Strong Focus on Key Infrastructure, November 2, 2023, [www.ontruck.ca](http://www.ontruck.ca)
7. Economic Trucking Trends: Class 8 orders remain strong, potentially prolonging trucking's pain, November 3, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
8. No one's having much fun in this freight market, November 6, 2023, [www.freightwaves.ca](http://www.freightwaves.ca)
9. ConMet acquires TruckWings maker TruckLabs, November 7, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
10. U.S. truck tonnage will grow to 14.2 billion tons by 2034, ATA says, November 8, 2023, [www.todaystrucking.com](http://www.todaystrucking.com)
11. Transport Inter-Nord sold to Groupe Guilault, Nov. 9, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
12. Cargo theft on the rise in Q3: CargoNet, November 9, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
13. Livestock groups call for more flexible Hours of Service rules, November 10, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
14. Autonomous trucks cutting a path in forestry sector, Nov. 13, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
15. Minister of Transport issues statement on the Canadian National Day of Remembrance for Road Crash Victims, November 15, 2023, [www.tc.gc.ca](http://www.tc.gc.ca)
16. B.C. investing \$16.5 million into hydrogen Quebec, November 20, 2023, [www.ctl.ca](http://www.ctl.ca)
17. Major US centres see surge in last-mile deliveries, Nov 17, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
18. North American Transborder Freight down 1.6% in September 2023 from September 2022, November 17, 2023, [www.bts.gov](http://www.bts.gov)
19. Groupe Robert opens refrigerated DC November 16, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
20. Ontario Making Progress to Widen Highway 17 from Arnprior to Renfrew, November 20, 2023, [www.mto.gov.on.ca](http://www.mto.gov.on.ca)
21. BCTA to host commercial EV expo in Vancouver, November 22, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
22. Quebec pension fund invests in TFI International, November 21, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
23. ATA Truck Tonnage Index increased 1.1% in October, November 21, 2023, [www.ajot.com](http://www.ajot.com)
24. Four Canada-US border crossings closed as vehicle explodes, November 22, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca); and No terrorism link in Niagara Falls Rainbow Bridge explosion: FBI, November 23, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
25. Canadian province gives Driveway rare new market for bypass tech, November 23, 2023, [www.freightwaves.com](http://www.freightwaves.com)
26. Taking charge to eliminate battery failures, November 23, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
27. Western Canadian projects raise hydrogen hopes, Nov. 24, 2023, [www.insidelogistics.ca](http://www.insidelogistics.ca)
28. Lion Electric lays off 150 employees, November 27, 2023, [www.freightwaves.com](http://www.freightwaves.com); and Lion Electric slashes workforce, November 27, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)
29. Economic Trucking Trends: Tonnage and trucking conditions improve, but spot market flat, November 27, 2023, [www.todaystrucking.ca](http://www.todaystrucking.ca)

Infrastructure Bank, a new, arms-length agency to leverage investments by public-sector pension plans and other trusted Canadian institutional investors to help fund large-scale infrastructure projects across the province. At the outset, the projects that are financed through this new agency will be focused on long-term care homes, energy infrastructure, affordable housing, municipal and community infrastructure and transportation. Other key infrastructure projects were also announced or affirmed.

#### **7. Economic Trucking Trends: Class 8 orders remain strong, potentially prolonging trucking's pain**

Conditions for truckers continue to be tough, but shippers aren't throwing any parties, either. Rising fuel prices are hurting both truckers and shippers, with FTR's Shippers Conditions Index plunging into negative territory for the first time in nearly a year. Meanwhile, fleets continue to have a healthy appetite for new equipment in 2024. While this may represent replacement demand, continued strength in Class 8 truck orders could prolong current freight market conditions that are characterized by excess capacity, according to *ACT Research*. Preliminary Class 8 truck orders totaled 31,900 units in October, which when seasonally adjusted would amount to a still-above-trend 25,800, according to ACT Research. It's good enough to grow order backlogs, but OEMs have less buffer than they've been accustomed to over the past two years.

#### **8. No one's having much fun in this freight market**

Entering the final quarter of 2023, the freight market has moved into an era of somber recalibration. The optimism that jumped in Q3 is now tempered by more introspection, as signs emerge of a market that will remain subdued for a longer period. This new normal is less about the tumult of the past and more about steady adjustment to prolonged market softness. The second half of 2023 has so far brought with it several major bankruptcies, leaving in their wake a new awareness among carriers and brokers of how fragile market equilibrium really is at the present. As Q4 unfolds, much of freight's executive class seems to be adopting a more defensive stance, suggesting collective acceptance of a "lower for longer" market scenario.

#### **9. ConMet acquires TruckWings maker TruckLabs**

ConMet, a part and component supplier, has acquired TruckLabs, the maker of TruckWings aerodynamic devices that close the gaps between trucks and trailers. TruckWings deploy at highway speeds to reduce drag, improve stability, and increase a diesel truck's fuel efficiency by 3-6% – saving over 1,100 US gallons (4,000 litres) of fuel and 15,000 pounds of carbon dioxide emissions per year, the company says. They're also marketed as a tool to extend electric or hydrogen vehicle range. Under the terms of the agreement, *TruckLabs* will become a wholly owned subsidiary of *ConMet*.

#### **10. U.S. truck tonnage will grow to 14.2 billion tons by 2034, ATA says**

Truck tonnage in the U.S. will grow to 14.2 billion tons by 2034, according to American Trucking Associations (ATA) projections. "In this edition of *Forecast*, you will see that the trucking industry continues to dominate the freight transportation industry in terms of both tonnage and revenue, comprising 72.2% of tonnage and 79.2% of revenue in 2022," said Bob Costello, ATA's chief economist. "That market share will continue to hold over the next decade, as the country will still rely on trucking to move the vast majority of freight." *ATA Freight Transportation Forecast 2023 to 2034* found that overall truck tonnage will grow from an estimated 11.3 billion tons this year to 14.2 billion tons in 2034. This represents 72.4% of the freight tonnage in 2023 and 72.6% of tonnage at the end of the forecast period. Trucking's revenues will grow from \$1.01 trillion in 2023 to \$1.51 trillion in 2034, which will account for 78.8% of the freight market, the study showed.

#### **11. Transport Inter-Nord sold to Groupe Guilbault**

Groupe Guilbault has acquired Transport Inter-Nord, a fleet based in Saint-Jerome, Que., specializing in LTL and truckload freight. Transport Inter-Nord has been owned by the McLaughlin family for more than 33 years, and by Champlain Financial Corporation since 2021. It has 82 trucks, 132 trailers and 145 employees, serving more than 625 municipalities. "We are very proud of this strategic alliance, which will enable us to consolidate our leading position in LTL freight transport in Quebec. Transport Inter-Nord and Transport Guilbault are both family businesses run by third-generation descendants. We share the same values and customer service objectives," said Eric Gignac, president of Group Guilbault. "It's the perfect match — two companies that take their employees and customers to heart. Transport Guilbault has always been a role model for us, like a big brother, for its values, technologies and, above all, its concern for service. We're delighted to be part of this Quebec flagship," said Steve McLaughlin, president of Transport Inter-Nord.

#### **12. Cargo theft on the rise in Q3: CargoNet**

Cargo theft in Canada and the U.S. increased by 59% in the 2023 third quarter, compared to the same time last year, *CargoNet* reports. The organization recorded 692 thefts that cost the industry over US \$31 million. The majority of the cargo stolen in 2023 Q3 can be attributed to shipment misdirection attacks, which remain an ongoing issue in the transportation and logistics sector. This is an example of strategic theft, which allows attackers to use stolen carrier and broker identities to intercept and misdirect goods from their original destinations. While the documented strategic cargo

theft increased 430% year-over-year, the amount of stolen full-trailer loads increased by 4% as well. According to *CargoNet*, a significant spike was recorded in the “Other” cargo category, too. It combines different reports that include identity theft complaints, hostage loads, late shipment complaints, and other criminal activities.

### **13. Livestock groups call for more flexible Hours of Service rules**

Canadian livestock groups are calling for added flexibility in Hours of Service rules, arguing that electronic logging devices (ELDs) don’t account for realities that affect animal welfare. Industry groups appearing before several sessions of the House of Commons Standing Committee on Agriculture and Agri-Food have referred to challenges that occur when truckers run out of driving hours before they can deliver livestock to final destinations or designated feed and water sites along the way. “In my estimation, ELD and livestock should not go in the same sentence,” said Andrew Livingston, who operates a facility known as The Barn outside Thunder Bay, Ont. Close to 250,000 animals are fed and watered there every year. But in many ways, loads of livestock are governed by the same rules as dry freight. That means livestock haulers can run out of allowable driving hours when they’re just an hour away from his facility, officially requiring them to park equipment and head off duty — no matter how stressed animals in the trailer might be.

### **14. Autonomous trucks cutting a path in forestry sector**

In an untamed Quebec forest, a Canada lynx watches curiously from the bush as a platoon of Mack Granite logging trucks, one of them driverless, passes by on a remote logging road. Meanwhile in Maryland, engineers from Robotic Research Autonomous Industries (RRAI) watch the lynx on screens set up to monitor the performance of the autonomous truck platoons serving a Resolute Forest Products facility. This is the rugged Canadian wilderness, where forestry trucks encounter some of the toughest conditions imaginable. And this, according to Robotic Research, is the perfect environment for the near-term automation of commercial trucking. Gabe Sganga is head of commercial growth for RRAI. The company got its start in automation more than 20 years ago, before anyone in the commercial trucking sector was even thinking about automating heavy trucks. Robotic’s origins involved working with the U.S. Department of Defense to develop automated military vehicles. In recent years, the company realized its AutoDrive self-driving platform had commercial potential as well.

### **15. Minister of Transport issues statement on the Canadian National Day of Remembrance for Road Crash Victims**

On November 15, 2023, the Minister of Transport, Pablo Rodriguez issued the following statement on the Canadian National Day of Remembrance for Road Crash Victims: “Today is the Canadian National Day of Remembrance for Road Crash Victims. It’s a day for mourning those we’ve lost, and it’s a day for committing to make Canada’s roads and highways safer. “As a regulator, Transport Canada is continuously looking at how we can make vehicles safer for Canadians. For example, the department is assessing and analyzing technologies in vehicle visibility, collision-avoidance, vulnerable road user detection, automated emergency braking, occupant protection, and child restraints. Much of this work takes place at our world-class Motor Vehicle Test Centre in Blainville, Québec.

### **16. B.C. investing \$16.5 million into hydrogen truck pilot**

British Columbia will invest \$16.5 million into a pilot program led by HTEC that will explore the use of hydrogen as a fuel for commercial trucking. HTEC will use the Innovative Clean Energy funds to procure six different fuel-cell-electric trucks and complete upgrades to a hydrogen fueling station in Tsawwassen and a maintenance facility in Abbotsford. “B.C. is already leading Canada in the switch to zero-emission vehicles for personal transportation, with a record number of British Columbians choosing to go electric,” said Josie Osborne, minister of energy, mines and low carbon innovation. “Today’s announcement will kick start the use of hydrogen-powered trucks for commercial transportation across the province, helping to get businesses off fossil fuels and build a clean economy.”

### **17. Major US centres see surge in last-mile deliveries**

The number of last-mile deliveries in major US cities is seeing a surge, with a resulting increase in the number of vehicles on the road. Between 2020 and 2022, Manhattan experienced a 55 percent increase in the number of stops on last mile delivery routes, accompanied by a 46 percent rise in the number of vehicles making these deliveries. Chicago witnessed a 116 percent surge in the number of stops, and an 82 percent increase in the number of vehicles dedicated to last mile deliveries. Phoenix recorded 58 percent growth in the number of stops, along with a 22 percent rise in the number of last mile delivery vehicles. Houston had a 29 percent rise in stops along last mile delivery routes, coupled with a 39 percent increase in the number of fleet vehicles responsible for deliveries.

### **18. North American Transborder Freight down 1.6% in September 2023 from September 2022**

Transborder freight between the U.S. and North American countries Canada and Mexico is indicated as follows: 1. Total transborder freight: \$131.8 billion of transborder freight moved by all modes of transportation, down 1.6% compared to September 2022; 2. Freight between the U.S. and Canada totaled \$64.7 billion, down 2.7% from September 2022; 3. Freight between the U.S. and Mexico totaled \$67.1 billion, down 0.5% from September 2022; 4. Trucks moved \$82.1 billion of freight, up 0.3% compared to September 2022; 5. Railways moved \$18.0 billion of freight, up 6.7% compared to September 2022; 6. Vessels moved \$11.7 billion of freight, up 6.4% compared to

September 2022; 7. Pipelines moved \$9.2 billion of freight, down 29.0% compared to September 2022; 8 Air moved \$4.9 billion of freight, down 0.2% compared to September 2022; 9. Multiple modes declined due to decreases in value of oil and energy commodities. US-Canada trade in both directions is as follows: 1. Truck \$36.6b; 2. Rail \$10.0 b; 3. Pipeline \$8.6 b; 4. Air \$3.0 b; and 5. Vessel \$2.5 b.

#### **19. Groupe Robert opens refrigerated DC in Quebec**

Groupe Robert has opened its automated distribution centre in Varennes, Quebec. Located near Highway 30, about 25 km northeast on Montreal, the large vertical capacity distribution centre will boast a height of 131 feet and will have storage capacity for 60,000 pallets, 30,000 for fresh products and 30,000 for frozen products. The company spent over \$200 million to build it, supported by financial contributions from the government of Quebec, Investissement Québec and several partners. Originally announced in March 2021, the building was at that time scheduled to open in early 2023 at a cost of \$150 million.

#### **20. Ontario Making Progress to Widen Highway 17 from Arnprior to Renfrew**

The Ontario government has completed the first phase of work to widen Highway 17 from two to four lanes between the Town of Renfrew and Arnprior, with the opening of a new interchange at Calabogie Road in Renfrew County. “Four years ago, our government made a promise to prioritize widening Highway 17 and today’s announcement is proof that we’re making rapid progress to get it done,” said Prabmeet Sarkaria, Minister of Transportation. “We recognize how important this project is to the local community and once complete, it will fight gridlock and improve safety for workers, families and businesses in eastern Ontario.” Work completed in Phase 1 of the project included building a new interchange to carry Calabogie Road traffic over Highway 417, a new carpool lot north of the highway, access roads and new ramp connections.

#### **21. BCTA to host commercial EV expo in Vancouver**

The BC Trucking Association (BCTA) has announced the second edition of Zeroing in on ZEV, a summit showcasing the advancements in low- and zero-emission commercial vehicles. Scheduled for February 21, 2024, the free event will feature an impressive display of over 16 medium- and heavy-duty vehicles, making it the largest gathering of its kind in Canada. Building on the success of the last event, which included 11 vehicles, Zeroing in on ZEV aims to highlight the significant strides the trucking industry is making toward a more sustainable and environmentally friendly future.

#### **22. Quebec pension fund invests in TFI International**

Caisse de dépôt et placement du Québec (CDPQ), an institutional investor that manages several pension plans in Quebec, has acquired a US\$171.7 million stake in TFI International – Canada’s largest truck fleet. The stake amounting to 1.3 million shares was revealed in the investor’s latest quarterly report with the U.S. Securities and Exchange Commission (SEC). “This is a quality company with a good balance sheet and interesting long-term prospects,” CDPQ spokeswoman Kate Monfette told *Transport Routier*. TFI International posted revenues of US\$1.91 billion and revenue of US\$133.3 million in the third quarter of 2023. Although this represents a decline on the same period last year, in the midst of a sluggish market, CEO Alain Bédard said he was confident in the team’s focus on profitability, cash flow, and capital base. Caisse de dépôt is often referred to as “Quebecers’ collective nest egg” because it manages the retirement funds of 6 million Quebecers, including the Quebec Pension Plan (QPP).

#### **23. ATA Truck Tonnage Index increased 1.1% in October**

American Trucking Associations’ advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased 1.1% in October 2023 after declining 1.1% in September 2023. In October 2023, the index equaled 115.2 (2015=100) compared with 113.9 in September 2023. “After hitting a floor in April, tonnage has slowly and inconsistently improved, but remains 3% below its recent peak in September 2022,” said ATA *Chief Economist Bob Costello*. “Despite the monthly gain, truck freight remains soft as it continues to contract on a year-over-year basis. It is important to remember that our for-hire truck freight index, which includes both truckload and LTL freight, is dominated by contract freight with minimal amounts of spot market loads. The traditional spot market remains much weaker than contract tonnage.” September’s 2023 decline was unchanged from our October 24 press release. Compared with October 2022, the SA index fell 2.1%, which was the eighth straight year-over-year decrease. In September 2023, the index was down 4.1% from a year earlier.

#### **24. Four Canada-US border crossings closed as vehicle explodes**

Four border crossings between Canada and the US are closed after a single vehicle made a high-speed run onto the bridge on the US side of the Rainbow Bridge in Niagara Falls, crashed and exploded. Two occupants in the car were killed and there was damage to structures on the US side. The Rainbow Bridge, Whirlpool Bridge, Peace Bridge, Queeston/Lewiston crossings were all closed around noon on November 22, 2023. Prime Minister Justin Trudeau addressed the situation in the House of Commons, saying it was a very serious situation. “Additional measures are being contemplated and activated at all border crossings across the country,” he said. “This is obviously a very serious situation,” Canadian Public Safety Minister Dominic LeBlanc told reporters on November 22, 2023. “It’s a source of concern for the government of Canada and for the United States so we’re taking this circumstance very seriously but to

speculate on the origin of this particular circumstance ... when we don't have reliable verified information is not responsible." The FBI notes no terrorism link to this explosion.

#### **25. Canadian province gives Drivewyze rare new market for bypass tech**

With all but two U.S. states wired for weigh station bypass technology, the fight now for market share shifts to Canada, where Drivewyze just added Newfoundland and Labrador to its network. Drivewyze announced earlier this month that it had signed up the province for its PreClear bypass system, replacing conventional requirements that drivers pull their trucks in to weigh stations. Bypass technology provides a weigh station a data stream of the driver and truck's safety and maintenance history, which can then send back to the truck a message that it is cleared to pass the location without stopping. Brian Mofford, Drivewyze's vice president of government experience, told FreightWaves in an interview that getting weigh station bypass into Canada "has been a challenge for a while." Drivewyze does have the technology in place in Ontario and Alberta. Canada hasn't widely adopted the weigh station technology and decentralized safety data is an issue.

#### **26. Taking charge to eliminate battery failures**

The electric trucks may be coming, but that won't render the 12-volt batteries used to power today's trucks redundant. In fact, it could render them all-the-more important as truck makers look to shift more accessory power loads to the 12-volt system so as to maximize the range driven by the lithium-ion battery packs that will propel the trucks themselves. "The low-voltage network continues to grow in complexity," Mark Wallace, CEO of battery maker Clarios said during a recent interview with trucking journalists. The system is being asked to do more, such as power the increasing array of power-consuming devices and ever-larger screens found inside the cab and to provide driver comfort without idling. It's also there to provide critical safety functions. If, for instance, an electric truck is involved in a collision the high-voltage network is required to shut down to prevent injury to first responders. The low-voltage system will be relied on to provide critical functions such as unlocking automatic door locks, power communication devices to send SOS signals, and to provide steering and braking capabilities to get the truck safely off the road.

#### **27. Western Canadian projects raise hydrogen hopes**

Western Canada's provincial governments continue to fuel interest in hydrogen for commercial vehicles. British Columbia is just the latest jurisdiction to invest in the fuel, as it looks to kickstart the use of hydrogen-powered trucks with a \$16.5-million Pilot Hydrogen Truck Project. That will involve procuring six heavy-duty fuel-cell trucks and retrofitting fueling infrastructure under the direction of HTEC, which designs, builds, and operates hydrogen production facilities. "It marks the first-ever deployment of heavy-duty hydrogen fuel-cell-electric trucks for a diverse range of fleet operators in the province," HTEC president and CEO Colin Armstrong said in a news release. "This pilot project symbolizes a remarkable leap toward a sustainable future." This June, a fifth HTEC retail hydrogen station in Kelowna joined a network of four existing stations to support hydrogen-electric vehicles in the Lower Mainland and on Vancouver Island.

#### **28. Lion Electric lays off 150 employees**

Canadian electric truck and bus startup Lion Electric is cutting 150 jobs, about 10% of its head count, in the U.S. and Canada as it seeks to reach profitability. "Although this was a very difficult decision and we are sad to part ways with valued employees, this initiative was the right thing to do for the business at this point in time," Marc Bedard, CEO and founder of Lion, said in a news release. Lion is far from alone in making hard decisions around electrification. Several electric vehicle startups have filed for bankruptcy reorganization, executed reverse stock splits to prop up their share prices and cut jobs over the past year.

#### **29. Economic Trucking Trends: Tonnage and trucking conditions improve, but spot market flat**

Highlights over the US Thanksgiving include modest improvements in for-hire truck tonnage and overall trucking conditions, but a spot market that failed to deliver a pre-Thanksgiving boost. Overcapacity remains an issue but that excess capacity is being eliminated faster than expected, according to ACT Research, setting the stage for a brighter 2024. For-hire truck tonnage in the U.S. edged up in October by 1.1% from September levels, recovering the 1.1% it lost the prior month. "After hitting a floor in April, tonnage has slowly and inconsistently improved, but remains 3% below its recent peak in September 2022," said ATA chief economist Bob Costello. "Despite the monthly gain, truck freight remains soft as it continues to contract on a year-over-year basis. It is important to remember that our for-hire truck freight index, which includes both truckload and LTL freight, is dominated by contract freight with minimal amounts of spot market loads. The traditional spot market remains much weaker than contract tonnage." Truck tonnage was down 2.1% year over year, the eighth straight YoY decrease.



## GENERAL TRANSPORTATION

### Canada

#### 1. Biden-Harris Administration Announces Roadway Safety Planning Grants to over 200 Communities in 46 States and Puerto Rico

On, October 27, 2023, the U.S. Department of Transportation announced \$82.6 million in Safe Streets and Roads for All (SS4A) grants to 235 regional, local and Tribal communities for planning and demonstration projects to improve safety and help prevent deaths and serious injuries on the nation's roadways. These funds will help communities develop safety action plans, inform improvements along corridors with safety issues, use "quick-build" strategies to test out safety features such as separated bicycle lanes or curb extensions at intersections and more. Helping communities plan and design safer streets is a key element of USDOT's [National Roadway Safety Strategy](#) to combat the crisis of deaths on our nation's roads. While National Highway Traffic Safety Association (NHTSA) estimates show a fifth straight quarter of declines in [roadway deaths](#), the fact is tens of thousands of people die each year on America's roads, which is why President Biden's infrastructure law includes unprecedented funding for safety improvements.

#### 2. Mexico economic growth tops forecasts on US trade, spending

Mexico's economy accelerated more than forecast in the 2023 third quarter, buoyed by flourishing trade with the US and solid spending by Mexican consumers. Gross domestic product rose 0.9% in the 2023 third quarter from the previous three months, compared with the 0.8% median estimate of analysts surveyed by *Bloomberg*, according to preliminary data released by Mexico's national statistics institute. From the same period a year ago, the economy grew 3.3%, also slightly faster than economists' 3.2% estimate. "It's confirming the resilience of the economy and the materialization of an upside surprise following the same for the US," said Ernesto Revilla, chief Latin America economist at Citigroup Inc. "It's also due to domestic demand, because we are seeing a very strong labor market in Mexico, strong remittances and a probable behavior change on the part of the consumer." The agriculture sector grew 3.2% between July 2023 and September 2023 in comparison to the prior three-month period, while the manufacturing sector expanded 1.4% and the services sector gained 0.6%, according to the official data. Business growth has contributed to a more robust post-pandemic economy, as manufacturers have invested in industrial space especially in northern and central parts of the country to be close to surging demand from US buyers. The US economy grew at the fastest pace in nearly two years in the third quarter on a burst of consumer spending, which will be tested in coming months. At the same time, investor sentiment in Mexico has improved toward the end of the administration of President Andres Manuel Lopez Obrador, who despite some blows to business, has welcomed additional jobs.

#### 3. Increasing vacancies signal relief for warehouse renters

National industrial property vacancy notched its 4th consecutive increase, rising to 2.1 percent on the third 2023 quarter, according to numbers released by realtor JLL. Occupier demand, particularly from large bay users, moderated as the market witnessed net absorption well below the five year quarterly average. With a cyclical high in construction deliveries expected over the next 12 months, vacancy is

expected to continue its rise through 2024. However, vacancy is still expected to remain below the long term historic average.

## GENERAL TRANSPORTATION

### Canada

1. Biden-Harris Administration Announces Roadway Safety Planning Grants to over 200 Communities in 46 States and Puerto Rico, October 27, 2023, [www.dot.gov](#)
2. Mexico economic growth tops forecasts on US trade, spending, October 31, 2023, [www.ajot.com](#)
3. Increasing vacancies signal relief for warehouse renters, October 31, 2023, [www.insidelogistics.ca](#)
4. Minister of Transport announces new client identification database for the transportation of dangerous goods in Canada, November 3, 2023, [www.tc.gc.ca](#)
5. October 2023 U.S. Transportation Sector Unemployment (4.8%) Rises Above the October 2022 Level (3.7%) And the Pre-Pandemic October 2019 Level (2.7%), November 3, 2023, [www.bts.gov](#)
6. ITF and World Health Organization to expand collaboration, November 3, 2023, [www.itd-oced.org](#)
7. Canadian international merchandise trade, September 2023, Nov. 7, 2023, [www.statcan.gc.ca](#)
8. Ukraine recommended to open negotiations to join the EU, November 8, 2023, [www.europa.eu](#)
9. September 2023 Freight Transportation Services Index (TSI) Remains the Same as the Previous Month and Down 1.8% from the Same Month Last Year, November 8, 2023, [www.dot.gov](#)
10. Young professionals see supply chain as a good career, November 10, 2023, [www.insidelogistics.ca](#)
11. European Parliament and Council agree on Nature Restoration Law, November 10, 2023, [www.europa.eu](#)
12. Leading indicator of international arrivals to Canada, October 2023, November 14, 2023, [www.statcan.gc.ca](#)
13. October shipments hit cycle low, Cass says, November 14, 2023, [www.freightwaves.com](#)
14. Landmark Fifth National Climate Assessment Highlights Key Climate Change Risks and Opportunities for the Transportation Sector, November 15, 2023, [www.dot.gov](#)
15. U.S. Department of Transportation Advances Transportation Solutions in Underserved Communities With \$3.4 Million In Rural and Tribal Grants, November 20, 2023, [www.dot.gov](#)
16. Biden-Harris Administration Finalizes Greenhouse Gas Emissions Reduction Tool, Moves Climate Change Performance Measure Forward, November 22, 2023, [www.dot.gov](#)
17. Scooting and Pedaling to Thanksgiving Dinner, November 23, 2023, [www.bts.gov](#)
18. Travel between Canada and other countries, September 2023, November 23, 2023, [www.statcan.gc.ca](#)
19. New funding supports supply chain AI projects, November 27, 2023, [www.insidelogistics.ca](#)
20. National Travel Survey, second quarter 2023, November 24, 2023, [www.statcan.gc.ca](#)
21. Canada's dairy quotas don't limit US access, panel finds, November 25, 2023, [www.ajot.com](#)
22. Biden-Harris Administration Announces New Freight Office and Major Progress Strengthening Supply Chains, November 27, 2023, [www.dot.gov](#)
23. Kuehne+Nagel to acquire Canada-based customs broker Farrow, November 23, 2023, [www.ajot.com](#)

#### **4. Minister of Transport announces new client identification database for the transportation of dangerous goods in Canada**

On November 3, 2023, the Minister of Transport, Pablo Rodriguez, announced the launch of new registration requirements and a new Client Identification Database to reduce risks associated with dangerous goods. These new requirements will give Transport Canada more current, accurate, and complete information about persons or organizations who are involved in the transportation of dangerous goods. They demonstrate the Government of Canada's commitment to promoting public safety, including when dangerous goods are handled or transported in Canada.

#### **5. October 2023 U.S. Transportation Sector Unemployment (4.8%) Rises Above the October 2022 Level (3.7%) And the Pre-Pandemic October 2019 Level (2.7%)**

The unemployment rate in the U.S. transportation sector was 4.8% (not seasonally adjusted) in October 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 October 2023, the transportation sector unemployment rate rose 1.1 percentage points from 3.7% in October 2022 and was above the pre-pandemic October 2019 level of 2.7% but still below the October 2020 and October 2021 rates. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020. Unemployment in the transportation sector was higher than overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in October 2023 was 3.6% or 1.2 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in October 2023 was 3.9%.

#### **6. ITF and World Health Organization to expand collaboration**

Plans for the creation of a new Health and Safety Hub to work on links between transport and health policies. The International Transport Forum (ITF) and the World Health Organization (WHO) will strengthen their collaboration on road safety and expand their co-operation to new areas at the intersection of human mobility and public health. A Memorandum of Understanding signed on 2 November 2023 in Paris by ITF Secretary-General Young Tae Kim and WHO Assistant Director-General Ailan Li foresees joint activities relating to: 1. the safety of roads; 2. the co-benefits of sustainable transport policies for reducing emissions and supporting health outcomes, including for active mobility; 3. the health impacts of transport-related air, noise, soil, and water pollution; 4. the trade of second-hand vehicles; and 5. the role of transport in relation to pandemics. The collaboration will cover all geographical locations, with a specific focus on low- and middle-income countries and on expanding existing ITF activities into Africa.

#### **7. Canadian international merchandise trade, September 2023**

In September 2023, Canada's merchandise exports increased 2.7%, while imports rose 1.0%. As a result, Canada's merchandise trade surplus widened from \$949 million in August 2023 to \$2.0 billion in September 2023.

#### **8. Ukraine recommended to open negotiations to join the EU**

The Commission has adopted the 2023 Enlargement Package, where it recommends that the EU opens accession negotiations with Ukraine, Moldova, and on certain conditions, Bosnia and Herzegovina. Georgia should also be granted the status of a candidate country to join the EU.

#### **9. September 2023 Freight Transportation Services Index (TSI) Remains the Same as the Previous Month and Down 1.8% 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, in September 2023 remained the same as the August 2023 level, unchanged for two consecutive months, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From September 2022 to September 2023 the index fell -1.8%

#### **10. Young professionals see supply chain as a good career**

What do young professionals think about working in the supply chain field? Why are they attracted to the business? What are they looking for in a career? These are questions Council of Supply Chain Management Professionals, Penske Logistics, and Korn Ferry set out to answer in their bi-annual Young Professionals Survey. In the fourth edition of the Biannual Young Professionals in Supply Chain Report, the 2023 survey results provide insights on the motivations and perspectives of the next generation of supply chain leaders. It looks into how young supply chain professionals want to develop their careers, how they uncover supply chain jobs, and if they will relocate for the right opportunity. Nearly all respondents agree that the supply chain field is a good career choice, and 96 percent said they are excited to have a career in the supply chain field.

#### **11. European Parliament and Council agree on Nature Restoration Law**

The European Parliament and the Council have agreed on the Nature Restoration Law, which once finally adopted, will be a key contribution to reaching climate neutrality by 2050. It will also set in motion a process for the sustained recovery of nature across the EU's land and sea.

## **12. Leading indicator of international arrivals to Canada, October 2023**

In October 2023, the number of international arrivals to Canada, including non-resident trips and returning Canadian-resident trips, increased from October 2022. The recovery rates for most indicators were up from October 2019, before the COVID-19 pandemic. The number of non-resident arrivals at Canadian airports equipped with electronic sensors totalled 744,400 in October 2023, up 30.6% from October 2022. Meanwhile, the number of Canadian-resident return trips from abroad reached 1.4 million, an 18.4% increase from October 2022. In October 2023, US-resident trips to Canada through land ports with electronic sensors stood at 943,100, up 12.5% from the same month in 2022. Moreover, the number of Canadian-resident return trips from the United States via the same land ports rose 18.9% year over year to 1.9 million trips in October 2023.

## **13. October shipments hit cycle low, Cass says**

Cass' expenditures index is expected to decline 14% y/y in the first half of 2024. Freight shipments fell to a cycle low in October 2023, according to data compiled in the Cass Freight Index. A November 14, 2023 report showed October shipments on Cass Information Systems' platform were off 9.5% year over year (y/y) and 2.8% lower (seasonally adjusted) than in September 2022. The sequential decline erased two months of gains. The data set has exposure to the auto industry and was likely impacted by recent work stoppages. "The 2023 peak season is off to a muted start, but we think overall freight volumes are better than those in the for-hire sector measured by Cass data, as private fleet insourcing persists," ACT Research's Tim Denoyer said. He said normal seasonal trends during November would produce a 9% y/y decline in shipments for the month.

## **14. Landmark Fifth National Climate Assessment Highlights Key Climate Change Risks and Opportunities for the Transportation Sector**

On November 15, 2023, the U.S. Global Change Research Program (USGCRP) announced the release of the Fifth National Climate Assessment (NCA5). Led by USGCRP and its 14 member agencies, NCA5 draws on the expertise of nearly 500 authors and 250 contributors from every state, as well as Guam, Puerto Rico, and the U.S. Virgin Islands. "Transportation generates more carbon emissions than any other sector, which means that transportation should be the biggest part of the solution to the climate crisis," said *U.S. Transportation Secretary Pete Buttigieg*. "Thanks to President Biden, we are making the largest investment in U.S. history to combat climate change, including making our transportation systems cleaner and more resilient."

## **15. U.S. Department of Transportation Advances Transportation Solutions in Underserved Communities with \$3.4 Million In Rural and Tribal Grants**

The U.S. Department of Transportation (DOT) on November 20, 2023 announced it is advancing vital transportation projects in underserved communities across the United States by awarding 13 grants totalling \$3.4 million through the new Rural and Tribal Assistance Pilot Program (RTA). Administered by the Build America Bureau, the RTA grant program supports early-stage development of transportation solutions in rural and Tribal communities with grants funding technical, legal, and financial assistance. The Bureau received 406 applications requesting more than \$127 million in funding. Of those, 70 applications totalling \$19 million were submitted from Tribal applicants.

## **16. Biden-Harris Administration Finalizes Greenhouse Gas Emissions Reduction Tool, Moves Climate Change Performance Measure Forward**

The U.S. Department of Transportation's Federal Highway Administration (FHWA) on November 22, 2023 announced a finalized performance measure that will provide State Departments of Transportation (DOTs) and Metropolitan Planning Organizations (MPOs) a national framework to track transportation-related greenhouse gas emissions (GHG), along with the flexibility to set their own targets for reduction. "Every state has its own unique climate challenges, and every state ought to have the data, funding, and flexibility it needs to meet those challenges head on," said U.S. Transportation Secretary Buttigieg. "This new performance measure will provide states with a clear and consistent framework to track carbon pollution and the flexibility to set their own climate targets—which we will also help them meet with more than \$27 billion in federal funding through President Biden's Investing in America agenda." Two important steps adopted are: new measurement standards and flexibility for each State in adopting standards.

## **17. Scooting and Pedaling to Thanksgiving Dinner**

Participating in a run/walk event, commonly referred to as a "Turkey Trot," on Thanksgiving Day is an annual event for many. There are over 750 Turkey Trots scheduled in 2023, with more than 250,000 people signed up to participate. Turkey Trot registrations in 2023 are up 9.9% from 2022. Will there be similar increases in other forms of recreation/active transportation on Thanksgiving Day this year? Since 2019, e-scooter and bikeshare (both docked and dockless) trips on Thanksgiving Day have increased steadily across five of the largest systems in the Nation. In 2022, nearly 55,000 docked bikeshare trips began on Thanksgiving on one of the five largest systems in the Nation; more than double the number in 2019 (roughly 24,000).

### **18. Travel between Canada and other countries, September 2023**

In September 2023, the number of non-resident visitors to Canada accounted for 90.9% of the number observed in September 2019, before the COVID-19 pandemic. Meanwhile, the number of returning Canadian residents reached 85.5% of the level recorded in September 2019. Residents of overseas countries took 682,300 trips to Canada in September 2023, and US residents took 2.2 million trips. At the same time, Canadian residents returned from 3.9 million trips abroad. Vacations by cruise increased for the seventh consecutive month to 355,400 total cruise arrivals.

### **19. New funding supports supply chain AI projects**

SCALE AI has announced funding totalling more than \$20 million for five AI projects across different economic sectors. Led by ALDO Group, EllisDon, ATS, Visual Defence, and Cléo, these collaborative projects show that Canadian AI technology provides a global competitive advantage for businesses. The ALDO Group, a leading Canadian fashion retailer, is currently using AI to develop a comprehensive solution aimed at automating key processes, as well as providing real-time analysis and optimization. It will integrate with existing systems and workflows. EllisDon's AI initiative is to create a predictive tool to accurately estimate the costs of activities and identify potential risks related to construction projects and subcontract work. The predictive tool will analyze four-plus years of historical project data to predict two key KPIs concerning project health, risk related to cost overrun and risk of delay. In addition, the tool will automatically surface past similar projects and delay reasons to PM teams to help improve efficiency.

### **20. National Travel Survey, second quarter 2023**

During the 2023 second quarter, Canadian residents took 78.3 million trips, 7.7 million more than in the same quarter of 2022. Most of these trips (89.6%) were related to domestic travel. Domestic trips, in the second quarter by Canadian residents was 70.2 million, up by 5.2 million from the second quarter of 2022 and 4.7% more than in the same quarter in 2019. The number of domestic overnight trips was 22.7 million in the second quarter of 2023, while the number of same-day trips was 47.4 million. Domestic travel accounted for 89.6% of all travel by Canadian residents in the second quarter, surpassing the proportion seen in the same quarter of 2019 (87.1%). In comparison, this proportion was 92.0% from April to June 2022. Canadian residents spent \$17.7 billion on domestic travel expenditures in the second quarter of 2023, up 2.6% from the second quarter of 2022 (\$17.2 billion) and up 29.0% from the same period in 2019 (\$13.7 billion), before the pandemic (all figures expressed in this *Daily* release are in current dollars). The top three domestic expenditures in the second quarter of 2023 were accommodations (\$3.5 billion), vehicle operations (\$3.5 billion), and spending in restaurants and bars (\$3.1 billion).

### **21. Canada's dairy quotas don't limit US access, panel finds**

Canada's dairy import quotas don't unfairly limit access for US producers, according to a panel ruling under North America's trade pact, marking a major victory for a Canadian sector long accused of protectionism. A majority of the dispute-settlement panel members found that the quotas aren't inconsistent with the US-Mexico-Canada Agreement, ruling against all of the American arguments against Canada's restrictive system. "Canada is very pleased with the dispute-settlement panel's findings, with all outcomes clearly in favor of Canada," Trade Minister Mary Ng said on November 24, 2023 in a statement. "This is good news for Canada's dairy industry and our system of supply management." The decision, which cannot be appealed, means Canada won't have to make any further changes to the system that has been a long-standing trade irritant between the countries. Canada has firmly controlled dairy supplies for decades, limiting domestic production and applying heavy tariffs to restrict imports, in an effort to stabilize incomes for local farmers. US Trade Representative Katherine Tai said she was "very disappointed" by the panel's findings.

### **22. Biden-Harris Administration Announces New Freight Office and Major Progress Strengthening Supply Chains**

As part of the inaugural meeting of the White House Council on Supply Chain Resilience, President Biden and Secretary of Transportation Pete Buttigieg announced on November 27, 2023 the launch of the Office of Multimodal Freight Infrastructure and Policy (Multimodal Freight Office) to oversee the maintenance and improvement of the nation's freight network and supply chains. In partnership with the Bureau of Transportation Statistics, the new office will continue the advancement of DOT's Freight Logistics Optimization Works (FLOW) program that is helping American businesses get goods to shelves faster and cut costs for consumers, a central part of Bidenomics. Largest U.S. ports, ocean carriers, and retailers now use DOT's Freight Logistics Optimization Works (FLOW) program to better anticipate shipments, improve efficiency and cut costs for consumers.

### **23. Kuehne+Nagel to acquire Canada-based customs broker Farrow**

With the announcement of the acquisition of Farrow, a well-reputed Canada-based customs broker, Kuehne+Nagel takes a step forward in its Roadmap 2026 growth ambitions. The acquisition complements Kuehne+Nagel's offering for companies that increasingly rely on customs clearance services and supports the growing demand in an environment of increasingly complex international trade regulations. Headquartered in Windsor, Ontario, Canada, Farrow's outstanding service is rooted in a 112-year heritage and is supported by 830 employees in 41 locations across Canada

and the USA. In 2022, Farrow managed over 1.5 million customs entries. The acquisition of Farrow will be immediately earnings-accretive and will expand the company's customs capabilities in a complementary way, especially at the Canadian and Mexican borders of the USA. "With Farrow, we acquire a leading, diversified customs brokerage and logistics company that brings with it a proven track record of success, a growth-oriented mindset, and significant business scalability," said Hansjörg Rodi, Member of the Management Board, responsible for Road Logistics, Kuehne+Nagel International AG. "The acquisition of Farrow greatly accelerates Kuehne+Nagel's growth ambitions in the customs market and is a compelling, strategic fit, expanding our offering of value-added solutions."