

Transportation Information Update*

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AIR TRANSPORTATION

1. Air Canada Introduces New Measures for Customers with Disabilities under Accelerated Accessibility Plan

Air Canada said on January 30, 2024 that it has become the first airline in North America to adopt the Hidden Disabilities Sunflower program to better serve customers with non-visible disabilities. In announcing the measure, the carrier also confirmed the first appointments to its new Customer Accessibility Advisory Committee, which will guide the carrier as it accelerates its three-year accessibility plan. By choosing to wear the Sunflower lanyard, Air Canada customers can indicate to airline staff that they may require additional assistance, have specific needs, or simply require more time while travelling.

2. Monthly civil aviation statistics, November 2023

Canadian Level I air carriers flew 6.0 million passengers on scheduled and charter services in November 2023. While this was up 8.6% from the same month in 2022, the number of passengers in November 2023 was 2.2% below the November 2019 level, before the COVID-19 pandemic. At 15.5 billion, the number of passenger-kilometres in November 2023 was above pre-pandemic levels (+1.4% from November 2019) for the second consecutive month. The load factor was 81.9 percent for November 2023.

3. Aircraft movement statistics: Major and select small airports, November 2023

In November 2023, aircraft movements at Canada's major and select small airports totalled 447,863. This was an increase of 9.1% from November 2022 and the largest year-over-year gain since March 2023. The number of international movements between Canada and countries other than the United States was up 16.2% year over year in November 2023, while movements to and from the United States increased 7.3%. Total domestic movements increased 5.8% from November 2022.

4. Biden-Harris Administration Announces More Than \$240 Million in Bipartisan Infrastructure Law Funding to Modernize Airports in 37 States

The U.S. Department of Transportation's Federal Aviation Administration (FAA) will award \$243.7 million in Fiscal Year (FY) 2024 Airport Infrastructure Grants (AIG) under the Bipartisan Infrastructure Law. The \$243.7 million includes 150 grants in 37 states to modernize airport infrastructure, improve runway safety, and create jobs to build a better America.

5. Air Cargo Demand Surges 10.8% in December, Closing 2023 Near 2022 Levels

The International Air Transport Association (IATA) released data for global air freight markets showing that air cargo demand rebounded in 2023 with a particularly strong fourth quarter performance despite economic uncertainties. Full-year demand reached a level just slightly below 2022 and 2019. Global full-year demand in 2023, measured in cargo tonne-kilometers (CTKs), was

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7. Air Transat flight attendants reject tentative deal for a second time, February 1, 2024, www.globalnews.ca
8. Canadians should book their flights now as airline fares set to soar this summer, says expert, Feb. 5, 2024, www.financialpost.ca
9. Air Travel Consumer Report: November 2023 Numbers, February 2, 2024, www.dot.gov
10. U.S. Airlines' December 2023 Fuel Cost per Gallon Down 7.2% from November 2023; Aviation Fuel Consumption Up 2.1% from Pre-Pandemic December 2019, February 5, 2024, www.bts.gov
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16. Federal funding to help build northern cargo facility Air Inuit has been selected to

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

down 1.9% compared to 2022 (-2.2% for international operations). Compared to 2019, it was down 3.6% (-3.8 for international operations). Capacity in 2023, measured in available cargo tonne-kilometers (ACTKs), was 11.3% above 2022 (+9.6% for international operations). Compared to 2019 (pre-COVID) levels, capacity was up 2.5% (0.0% for international operations). December 2023 saw an exceptionally strong performance: global demand was 10.8% above 2022 levels (+11.5% for international operations). This was the strongest annual growth performance over the past two years. Global capacity was 13.6% above 2022 levels (+14.1% for international operations).

6. Global Air Travel Demand Continued Its Bounce Back in 2023

The International Air Transport Association (IATA) announced that the recovery in air travel continued in December 2023 and total 2023 traffic edged even closer to matching pre-pandemic demand. *Total traffic* in 2023 (measured in revenue passenger kilometers or RPKs) rose 36.9% compared to 2022. Globally, full year 2023 traffic was at 94.1% of pre-pandemic (2019) levels. December 2023 total traffic rose 25.3% compared to December 2022 and reached 97.5% of the December 2019 level. Fourth quarter traffic was at 98.2% of 2019, reflecting the strong recovery towards the end of the year. *International traffic* in 2023 climbed 41.6% versus 2022 and reached 88.6% of 2019 levels. December 2023 international traffic climbed 24.2% over December 2022, reaching 94.7% of the level in December 2019. Fourth quarter traffic was at 94.5% of 2019. *Domestic traffic* for 2023 rose 30.4% compared to the prior year. 2023 domestic traffic was 3.9% above the full year 2019 level. December 2023 domestic traffic was up 27.0% over the year earlier period and was at 2.3% above December 2019 traffic. Fourth quarter traffic was 4.4% higher than the same quarter in 2019.

7. Air Transat flight attendants reject tentative deal for a second time

The union representing 2,100 Air Transat flight attendants says they have rejected a tentative agreement for the second time in a month. The union representing 2,100 Air Transat flight attendants says they have rejected a tentative agreement for the second time this year. Some 82 per cent of the votes cast were opposed to the would-be deal, which the Canadian Union of Public Employees had reached with the airline in early January 2024. The union says the compensation for hours worked before landing and after takeoff remained a key sticking point.

8. Canadians should book their flights now as airline fares set to soar this summer, says expert

Canadians are currently enjoying the benefits of a domestic price war as airlines try to generate business in what's typically a quiet quarter for air travel. Now may be the best time for Canadians to buy airline tickets because fares are set to soar this summer, according to an industry expert. Gradek said Canadians are currently enjoying the benefits of a domestic price war as airlines try to generate business in what's typically a quiet quarter for air travel. He said Canada's two ultra-low cost carriers, Flair Airlines and Lynx Air, are leading the price cuts with other airlines following not too far behind. "Flair and Lynx are the price leaders in Canada," said Gradek. "Air Canada, WestJet, Porter are kind of playing along." The problem is that's not likely to be sustainable.

9. Air Travel Consumer Report: November 2023 Numbers

The U.S. Department of Transportation (DOT) on February 2, 2024 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of November 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. The ATCR is designed to assist consumers with information on the quality of services provided by airlines. DOT remains committed to ensuring airline passengers are treated fairly and flights operate as scheduled. For the

receive funding under the National Trade Corridors Fund, February 13, 2024, www.insidelogistics.ca

17. U.S. Cargo and Passenger Airlines Lost 1,492 Jobs in December 2023; Employment Remains 8.4% Above Pre-Pandemic December 2019, February 12, 2024, www.bts.gov

18. WestJet Group refinances majority of existing term loan facility secured by WestJet Rewards loyalty program and WestJet's brand, February 13, 2024, www.westjet.ca

19. Driving greater efficiency in European air travel, February 14, 2024, www.iata.org

20. Porter adding three new crew basis in Ottawa, Montreal and Vancouver, Porter announces first Saskatchewan service with daily Toronto-Pearson-Saskatoon route; and Porter begins flights on new Ottawa-Calgary route, February 14 and 15, 2024, www.flyporter.com

21. Canada pilots see progress with mediator in fight for historic pay gains, February 15, 2024, www.globeandmail.ca

22. oneworld named the best global airline alliance for wines, for the 13th year in a row, February 15, 2024, www.ajot.com

23. Biden-Harris Administration Announces Nearly \$1 Billion in Grants from the Bipartisan Infrastructure Law to Improve 114 Airports Across the U.S., February 15, 2024, www.dot.gov

24. Air Canada warns of higher costs from new agreement with pilots, February 17, 2024, www.ajot.com

25. Quarterly civil aviation statistics, third quarter 2023, Feb 20, 2024, www.statcan.gc.ca

26. WestJet Cargo heading for cruising altitude in 2024, February 19, 2024, www.ajot.com

27. Airlines' chief pleads for more green fuel to save air travel, February 19, 2024, www.ajot.com

28. Minister Rodriguez marks International Day for Commemorating Air Crash Victims and their Families, February 20, 2024, www.tc.gc.ca

29. The Canadian Transportation Agency issues administrative monetary penalty to GC Aviation, February 22, 2024, www.cta-otc.gc.ca

30. Lynx Air shutting down Monday after filing for creditor protection, February 23, 2024, www.globeandmail.ca; and Lynx Air to cease operations Monday, obtains creditor protection, February 22, 2024, www.cbc.ca

31. Air Canada Expands Regional Services with Luxury Motorcoach Land-Air Connections for Customers, February 21, 2024, www.aircanada.ca

32. Lynx Air is shutting down — what to do if you're stranded or need a refund, February 23, 2024, www.Nationalpost.ca

33. Passengers agitated, police called as Air Canada flight delayed by 24 hours, February 23, 2024, www.nationalpost.ca

were cancelled, far below the 2.5% cancellation rate for the first 11 months of 2022 and the 2.0% cancellation rate for first 11 months of pre-pandemic 2019.

10. U.S. Airlines' December 2023 Fuel Cost per Gallon Down 7.2% from November 2023; Aviation Fuel Consumption Up 2.1% from Pre-Pandemic December 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on February 5, 2024 released U.S. airlines' December 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.584 billion gallons of fuel, 5.3% more fuel than in November 2023 (1.504 billion gallons) and 2.1% more than in pre-pandemic December 2019. The cost per gallon of fuel in December 2023 (\$2.80) was down 22 cents (7.2%) from November 2023 (\$3.01) and up \$0.79 (39.5%) from December 2019. Total December 2023 fuel expenditure (\$4.43B) was down 2.2% from November 2023 (\$4.53B) and up 42.4% from pre-pandemic December 2019. Year-over-year changes in fuel consumption and cost for December 2023 include 5.2% increase in domestic fuel consumption, 6.4% decrease in domestic fuel cost, and 11.0% decrease in cost per gallon. Domestic fuel consumption increased 4.0% from November 2023 to December 2023, while decreasing 0.05% from December 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

11. Digitalization, Sustainability, and Safety & Security at Top of WCS Agenda

The International Air Transport Association (IATA) announced the agenda for the [IATA World Cargo Symposium](#) (WCS) which will feature specialized tracks on Digitalization, Sustainability and Safety & Security. WCS is taking place in Hong Kong (SAR), China from 12 - 14 March 2024. "Air cargo is an unsung hero of the global economy. In normal times, it delivers some 35% of the value of goods traded across borders. In the pandemic, air cargo brought medical supplies and vaccines to where they were needed. And today it is providing a vital transport alternative for some products as Red Sea shipping lanes face geopolitical uncertainty. Air cargo's success matters. When air cargo's global leaders gather in Hong Kong for the IATA World Cargo Symposium, ensuring the future reliability and growth of this critical sector will be top of mind with an agenda focused on sustainability, digitalization, safety and security," said Brendan Sullivan, IATA's Global Head of Cargo.

12. Air Canada Announces Scholarships for Aspiring Aircraft Maintenance Engineers at 7 Technical Colleges Across the Country

Air Canada on February 8, 2024 announced an agreement with seven colleges across the country to provide financial assistance to students who self-identify as women or visible minorities who are pursuing studies as Aircraft Maintenance Engineers (AMEs). This new scholarship strengthens Air Canada's commitment to supporting access for under-represented students in this highly desirable career path. One student from each school will receive a \$1,500 scholarship to assist with the cost of their education to become AMEs. Students who are awarded a scholarship will be offered an opportunity for a work placement at Air Canada Maintenance. The initial agreement with the schools is for three years.

13. October 2023 U.S. Airline Traffic Data Up 8.2% from the Same Month in 2022

U.S. airlines carried 82.6 million systemwide (domestic and international) scheduled service passengers in October 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, October enplanements are up 1.2% from September 2023 and reached a new all-time high in October 2023. BTS reported 73 million domestic passengers and 9.6 million international passengers on U.S. airlines flights in October 2023, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables that accompany this release on the BTS website for summary data since 2016 (Tables 1-24) and complete data since 2000.

14. November 2023 U.S. Airline Traffic Data Up 8.1% from the Same Month in 2022

U.S. airlines carried 77.7 million systemwide (domestic and international) scheduled service passengers in November 2023, according to the Bureau of Transportation Statistics (BTS). When adjusted for seasonality, November enplanements are up 1.3% from October and reached a new all-time high reached in November 2023. BTS reported 68.4 million domestic passengers and 9.3 million international passengers on U.S. airlines flights in November 2023, not adjusting for seasonality. U.S. airline traffic reports are filed monthly with BTS. See the tables on the BTS website for summary data since 2016 (Tables 1-24) and complete data since 2000.

15. Government of Canada invests to upgrade an essential cargo distribution facility and aircraft hangar in Northern Quebec

On February 9, 2024, the Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, announced an investment of up to \$14.5 million through the National Trade Corridors Fund. The investment to Air Inuit Ltd. includes the construction of a new cargo warehouse and extension of the hangar bay for aircraft maintenance at the Kuujuaq, Quebec, airport. This project will allow the Kuujuaq airport to: 1. improve security of the north-south transportation corridor between Montreal and Nunavik and within the Nunavik region; 2. improve the ability to preserve food security with larger storage capacities and build a more reliable supply chain; and 3. increase economic development with added capacity to support business growth, infrastructure, and industries more efficiently.

16. Federal funding to help build northern cargo facility Air Inuit has been selected to receive funding under the National Trade Corridors Fund.

The investment of up to \$14.5 million includes the construction of a new cargo warehouse and extension of the hangar bay for aircraft maintenance at the Kuujuaq, Quebec, airport. Air Inuit offers passenger and cargo services throughout Northern Quebec, connecting to Quebec City and Montreal. Kuujuaq is a hub, with connections to numerous smaller communities. Kuujuaq Airport is owned by Transport Canada. It is operated by the Kativik Regional Government. Designated a remote airport under the National Airports Policy, it is the community's only reliable year-round means of transportation.

17. U.S. Cargo and Passenger Airlines Lost 1,492 Jobs in December 2023; Employment Remains 8.4% Above Pre-Pandemic December 2019

U.S. airline industry (passenger and cargo airlines combined) employment decreased to 812,698 workers in December 2023, 1,492 (0.18%) fewer workers than in November 2023 (814,190) and 63,208 (8.43%) more than in pre-pandemic December 2019 (749,490). U.S. scheduled-service passenger airlines employed 535,672 workers in December 2023 or 66% of the industry-wide total. Passenger airlines lost 242 employees in December 2023. Spirit Air Lines led scheduled passenger carriers, adding 667 employees; Delta Air Lines added 237, and United Air Lines added 171. U.S. cargo airlines employed 272,380 workers in December 2023, 34% of the industry total. Cargo carriers lost 1,193 employees in December. FedEx, the leading air cargo employer, decreased employment by 498 jobs.

18. WestJet Group refinances majority of existing term loan facility secured by WestJet Rewards loyalty program and WestJet's brand

On February 13, 2024, WestJet Group Inc. announced that it extended the maturity of the substantial majority of its term loan borrowings to 2031. WestJet did so by entering into a new secured term loan facility, capitalizing on its ratings upgrade and its strong financial performance, which exceed its pre-COVID earnings. "We are very pleased with this innovative structure, secured by our loyalty program and brand," said WestJet Group Chief Financial Officer Mike Scott. "This opportunistic refinancing transaction enhances our financial flexibility and was oversubscribed, which is reflective of the strength of the WestJet Rewards Loyalty program and the WestJet brand." WestJet's liquidity is in excess of \$2 billion and its pro forma adjusted net leverage ratio at year-end 2023 was approximately three times adjusted earnings before interest, taxes, depreciation and amortization.

19. Driving greater efficiency in European air travel

European aviation needs greater efficiency throughout the value chain if it is to continue delivering social and economic benefits, says Rafael Schwartzman, IATA's RVP for Europe. "The headline figures are positive, but we are not yet fully recovered from the pandemic and the margins are thin," he says. "European airlines have some major challenges ahead of them and are still in a fragile state. The market is extremely competitive and now, more than ever, we need to have the right policies to help us deliver what European citizens clearly want, which is affordable, sustainable air travel." Last year's hike in demand supports this view. In 2023, European air travel grew more than 20%. This generated an estimated EUR7.2 billion (\$7.7 billion) profit, and both traffic and profit are expected to grow modestly in 2024. But there isn't consistency in demand across the region. Broadly, Mediterranean markets did well in 2023 but Eastern Europe is still suffering from the effects of the Ukraine war. There is also a knock-on effect from the various conflict zones in the Middle East.

20. Porter announces first Saskatchewan service with daily Toronto Pearson-Saskatoon route

Porter Airlines is introducing its unique all-economy service delivered with style, care and charm to Saskatchewan for the first time. Flights between Toronto Pearson International Airport (YYZ) and Saskatoon International Airport (YXE) are a significant step in the airline's commitment to expanding its transcontinental network. It is also adding three new crew basis in Ottawa, Montreal and Vancouver. Porter Airlines spread the love on Valentine's Day by inaugurating its Ottawa-Calgary route, connecting Eastern and Western Canada with the airline's unique style, care and charm.

21. Canada pilots see progress with mediator in fight for historic pay gains

Pilots are seeing progress in contract talks after a private independent mediator was hired to bridge gaps with the country's largest carrier over pay and quality of life demands, a union representative said on February 15, 2024. Air Canada's aviators, who are represented by the Air Line Pilots Association (ALPA), are pressing for historic gains to narrow a wage gap with higher-paid U.S. counterparts who secured record contracts in 2023 amid strong travel demand. "We found that using this professional mediator in this private mediation agreement is starting to get the ball rolling," said Charlene Hudy, who heads the local union representing Air Canada pilots.

22. oneworld named the best global airline alliance for wines, for the 13th year in a row

Roger Blackburn, oneworld VP Europe, Middle East and Africa, collects the Gold award in the Best Alliance category in the Business Traveller 'Cellars in the Sky Awards', awarded for the 13th year in row, surrounded by colleagues from fellow oneworld members airlines. For the 13th year in a row the oneworld® alliance has been named the world's Best Airline Alliance for wines served by member airlines onboard in an annual international tasting competition.

23. Biden-Harris Administration Announces Nearly \$1 Billion in Grants from the Bipartisan Infrastructure Law to Improve 114 Airports Across the U.S.

The Federal Aviation Administration (FAA) is awarding \$970 million from President Biden's Bipartisan Investing in America agenda to 114 airports across the country, spanning 44 states and three territories. This announcement, which Secretary Buttigieg will make as part of the Administration's Investing in America tour, delivers on President Biden's commitment to rebuilding our nation's infrastructure while lowering costs for families, creating good jobs, and advancing opportunity for all Americans.

24. Air Canada warns of higher costs from new agreement with pilots

Air Canada shares tumbled after the airline warned it may face higher operating costs in 2024 as it works out a new labor agreement with its more than 5,000 pilots. The adjusted cost per available seat mile — a key measure of airline expenses — may increase 2.5% to 4.5% in 2024, the Montreal-based carrier said in its earnings report on February 16, 2024. Shares of Canada's largest airline fell as much as 7.5% in Toronto trading, the most in a year, and traded at C\$17.86 at 1:49 p.m. Chief Financial Officer John Di Bert said on a conference call with analysts that the company is wrestling with cost headwinds from "lagging inflation" as well as regulatory changes and the pending deal with pilots. "A new agreement with pilots will bring a change in wages and other cost-related items," he said. "We have factored our best estimates into our guidance with a view of the Canadian market." Regulatory changes in Canada over customer disruptions and higher airport fees and infrastructure costs might also boost operating costs, Air Canada said.

25. Quarterly civil aviation statistics, third quarter 2023

Operating revenue for the 24 largest Canadian air carriers totalled \$9.6 billion in the 2023 third quarter, a sharp increase by 21.2% from the same quarter of 2022 and by 19.7% from the third quarter of 2019, before the COVID-19 pandemic. At \$8.7 billion, passenger revenue remained the main revenue source for airlines in the third quarter of 2023, while air cargo generated \$544.6 million in revenue. In the third quarter, Canadian carriers transported 25.0 million passengers on scheduled and charter services.

26. WestJet Cargo heading for cruising altitude in 2024

Following an intense implementation itinerary in 2023, which included the successful launch of WestJet Cargo's first freighter fleet alongside rapid company and network growth, the cargo carrier cites partnerships, product portfolio, and digital enhancements as its three focus areas for an equally energy-driven 2024. WestJet Cargo starts the year on a solid basis — the result of an outstanding 2023 centred on deploying the airline's first freighter fleet and building a strong team of cargo experts. 22 new colleagues joined during the course of last year, as WestJet Cargo opened 24 warehouses, 14 freighter handling stations, and expanded its cargo network to a total of 45 very diverse destinations across the world, connecting, for example, Halifax — a smaller province in Nova Scotia, to major cities such as Paris, France, and Narita, Japan. WestJet Cargo's freighter launch events on 22 April 2023, in Vancouver, Toronto, and Halifax, set the scene for what was to come and showcased the airline's commitment to excellence.

27. Airlines' chief pleads for more green fuel to save air travel

The head of global airlines' biggest trade group implored oil producers to make more low-emissions aviation fuel, warning the future of commercial air travel depends on the industry's successful decarbonization. Sustainable aviation fuel is the best available tool for cutting emissions, International Air Transport Association Director General Willie Walsh said at an aviation summit in Singapore. Demand for the cleaner-burning fuel far outstrips supply, even though it can cost three to five times more than conventional jet fuel. "Every bit of fuel that gets produced would be used because this is an existential issue," Walsh said. "This industry will not be allowed to grow unless we can prove to our customers, regulators, governments, people in general, that we can grow in a sustainable manner." After surviving the pandemic, airlines' biggest challenge is reaching a goal to have net zero carbon emissions by 2050. While the sector currently accounts for a relatively small portion of global emissions, it faces huge challenges to decarbonize and could see its share balloon in coming decades if its rate of progress falls behind other industries. An estimated \$5 trillion of capital investment may be needed to make the transition, much of it to build sustainable fuel refineries. Walsh also warned that hydrogen won't be a viable alternative form of propulsion any time soon, underscoring the importance of increasing production of sustainable aviation fuel.

28. Minister Rodriguez marks International Day for Commemorating Air Crash Victims and their Families

On February 20, 2024, the Minister of Transport, Pablo Rodriguez, issued this statement to mark the third annual International Day for Commemorating Air Crash Victims and their Families: "Today, on the third International Day for Commemorating Air Crash Victims and their Families, Canada joins the International Civil Aviation Organization (ICAO), and the rest of the world to mourn those lost. This is a solemn day of pain and grief for all those who have lost friends and families in air disasters around the world. ... Canada leads the Safer Skies Initiative, which aims to increase the safety and security of commercial airlines..."

29. The Canadian Transportation Agency issues administrative monetary penalty to GC Aviation

The Canadian Transportation Agency (CTA) has issued an administrative monetary penalty of \$110,000 against GC

Aviation for contraventions of section 57 of the Canada Transportation Act. These contraventions were committed on seven occasions between February 9 and May 24, 2023, and are related to the operation of a HondaJet aircraft between Canada and the United States, without holding a Canadian aviation document as provided for in Part II of the CTA, thereby contravening section 57(b) of the Canada Transportation Act. Between June 21 and October 11, 2023, GC Aviation committed 15 contraventions related to the operation of a HondaJet aircraft between Canada and the United States without holding a licence as required by Part II of the Canada Transportation Act, section 57(a). GC Aviation has 30 days to request a review before the Transportation Appeal Tribunal of Canada.

30. Lynx Air shutting down Monday after filing for creditor protection

Low-cost Lynx Air says it will cease operations at 12:01 a.m. MT on Monday and is telling customers with bookings to seek refunds from their credit card companies. Lynx Air, a Calgary-based airline that launched less than two years ago with a promise to make air travel more affordable for Canadians, says it will cease operations on Monday, February 26, 2024. The news came as the low-cost airline announced it had sought and obtained an initial order for creditor protection from the Court of King's Bench of Alberta. "Over the past year, Lynx Air has faced a number of significant headwinds including rising operating costs, high fuel prices, exchange rates, increasing airport charges and a difficult economic and regulatory environment," said the company in a news release. "Despite substantial growth in the business, ongoing operational improvements, cost reductions and efforts to explore a sale or merger, the challenges facing the company's business have become too significant to overcome."

31. Air Canada Expands Regional Services with Luxury Motorcoach Land-Air Connections for Customers

Air Canada on February 21, 2024 announced that it has partnered with The Landline Company to connect airports in Hamilton and Waterloo Region with the airline's Toronto Pearson global hub. Customers will be able to book a single itinerary combining a luxury motorcoach service with Air Canada flights for a seamless, convenient and more sustainable journey. Now available for booking, the multimodal service will begin operating as a pilot project from John C. Munro Hamilton International Airport and the Region of Waterloo International Airport in May 2024, with the potential to make it available elsewhere in Canada in the future.

32. Lynx Air is shutting down — what to do if you're stranded or need a refund

Ultra low-cost carrier Lynx Air will be ceasing operations after obtaining creditor protection under the Companies' Creditors Arrangement Act, the company said late this week. The Calgary-based airline said operations will halt effective 12:01 a.m. MT on Monday, with flights continuing to operate until that time. The company, which launched its inaugural flight in April 2022, said it has faced challenges over the past two years that "have become too significant to overcome." Passengers scheduled to fly home after the end of operations are told they will receive a flight cancellation notification and can get a refund for the flight through their credit card company. But it appears it will be up to them to make alternative arrangements. The airline has not indicated how many passengers are currently travelling, but Lynx Air routes include destinations in Canada, the United States and Mexico, where it just launched service on Feb. 15, 2024. Its website lists 23 total destinations, including most major Canadian cities and U.S. locations such as Phoenix, San Francisco and Tampa Bay. According to aviation analytics company Cirium, Lynx has a total of 731 flights scheduled for February 2024.

33. Passengers agitated, police called as Air Canada flight delayed by 24 hours

An unruly scene unfolded in Florida earlier this week as the departure for a Toronto-bound Air Canada flight was delayed by more than 24 hours. Passengers arrived Sunday to Fort Lauderdale-Hollywood International Airport for flight AC1029 which was scheduled to depart at 9:15 p.m. that evening. Ten delays and a cancelled flight later, the passengers till hadn't left by 9:15 p.m. the next day, with the airline citing weather conditions as the reason for the cancellation. By Monday evening, police were called in to help deal with the agitated crowd, according to Toronto resident Nicholas Bello, who documented the scene on X, formerly Twitter.

WATER TRANSPORTATION

1. Ocean rate surge reflects uncertainty around cost of Suez diversions: MSC

Even as they levy new surcharges and higher rates on shippers, ocean carriers do not yet know the full costs of diverting container ships away from the Suez Canal amid the ongoing attacks on commercial shipping in the Red Sea, an executive for Mediterranean Shipping Co. told Congress. Bud Darr, vice president of policy and government affairs at MSC, told the House Transportation and Infrastructure Committee that the longer transit around the Cape of Good Hope in southern Africa increases the average distance a container ship travels from Asia by about 3,300 nautical miles, adding five to 16 days. MSC is looking to implement a 'Diamond Tier' rate for guaranteed loading on shippers in the wake of the Suez Canal diversions.

2. For GPA, Container Volume Down in December, 'Renewed Strength' Expected in 2024

The Georgia Ports Authority (GPA) handled 422,300 TEUs (twenty-foot equivalent units) in December 2023, down 4% or nearly 18,500 TEUs from the prior-year period, the Port reported Jan. 30, 2024. Its Port of Savannah ended Calendar Year 2023 with a total of 4.9 million TEUs, falling 16% from CY2022. "Higher inflation rates and interest rates slowed consumer spending resulting in higher inventories in warehouses," according to GPA. "With the new year, we are beginning to see renewed strength in container volumes, which should result in more favorable comparisons moving forward the next six months," said GPA President and CEO Griff Lynch, who noted that GPA is committed to investing \$4.2 billion in capacity improvements over the next 10 years.

3. Seaway sees uptick in tonnage in 2023

The Canadian St. Lawrence Seaway Management Corporation (SLSMC) and U.S. Great Lakes St. Lawrence Seaway Development Corporation (GLS) unveiled their 2023 results this week. Nearly 38 million tonnes of cargo transited the binational system in 2023, representing an overall increase of more than 3.4 percent from the previous year. Terence Bowles, president and CEO of the SLSMC said "Again in 2023, the St. Lawrence Seaway demonstrated its resilience and reliability, as well as emphasizing its role as an essential component of the Green Shipping Corridor. Compared to the previous year, the season ended with goods shipped through the waterway increasing by 3.4 percent, which helped drive the North American economy." The highlights are: 1. Grain: Despite challenges posed by climate change, producers successfully mitigated global issues, resulting in an overall increase of nearly 5% compared to 2022 figures, reaching 10.4 million tonnes. Notably, Canadian grain experienced a significant year-over-year growth of more than 11%. 2. Dry Bulk: Agricultural and construction supply chain materials, including potash, gypsum, cement and stone, exceeded 12 million tonnes, representing 5% growth compared to 2022. 3. Liquid bulk: 3.6 million tonnes of liquid bulk transited the Seaway in 2023, representing a 3.4% increase from the previous year. Petroleum products were the primary contributors with 2.6 million tonnes, followed by liquid chemicals, which increased 11%. 4. Cargo fluidity: The Seaway system's efficiency contributed to economic development on both sides of the border, with fewer transits in ballast and an additional 1.2 million tonnes of cargo.

4. Container xChange February'24 Forecaster

In response to the escalating Red Sea crisis, Container xChange, leading online container logistics platform, has released a comprehensive report detailing the far-reaching effects on container trading and leasing rates worldwide. The report explores the intricate dynamics of the crisis, shedding

WATER TRANSPORTATION Canada

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5. Dewry World Container Index - 01 Feb, February 1, 2024, www.ajot.com
6. Red Sea turmoil drives Chinese exporters to rail, other alternatives, February 5, 2024, www.freightwaves.com
7. NWSA gateway Terminal 46 supports transport of Canadian-bound automobile cargo in Seattle, February 5, 2024, www.ajot.com
8. Ocean freight industry lagging in digitization, report finds, February 6, 2024, www.insidelogistics.ca
9. Tanker transits plunge 20% in Red Sea: Lloyd's List, February 7, 2024, www.freightwaves.com
10. Port of New York and New Jersey total volume for 2023 exceeds pre-COVID numbers, February 7, 2024, www.ajot.com
11. Port of Montreal supports nearly 600,000 jobs, study finds, February 8, 2024, www.insidelogistics.ca
12. Coast Guard finalizes 2024 Great Lakes Pilotage Rates, February 9, 2024, www.ajot.com
13. Unifor members reject Autoport settlement, February 9, 2024, www.insidelogistics.ca
14. Global trade organizations make joint call for safe shipping in the Red Sea, February 12, 2024, www.insidelogistics.ca
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19. Import demand growth robust leading into Lunar New Year, February 17, 2024, www.freightwaves.com
20. No bump yet in trans-Pacific demand from Red Sea, Panama Canal: Matson, February 21, 2024, www.joc.com
21. Cargo ship attacked off coast of Yemen, February 22, 2024, www.englishnews.cn
22. Port of Oakland remains preferred gateway

light on the unprecedented surge in container prices and leasing rates, as well as the ripple effect on global trade routes. Highlights indicate: 1. Average container trading prices surged by up to 60% in January'24; 2. Container leasing rates Ex China rise by up to 323%; and 3. Supply Chain professionals expect Container prices to surge further in February: xCPSI (Container Price Sentiment Index by Container xChange).

5. Drewry World Container Index - 01 Feb

Drewry's World Container detailed assessment is as follows: 1. The composite index decreased by 4% to \$3,824 per 40ft container this week and has increased by 88% when compared with the same week last year. This week's reduction in the index follows 8 consecutive week-on-week gains. 2. The latest Drewry WCI composite index of \$3,824 per 40ft container is the highest since October 2022 and is 169% more than average 2019 (pre-pandemic) rates of \$1,420. 3. The average composite index for the year-to-date is \$3,461 per 40ft container, which is \$778 higher than the 10-year average rate of \$2,684 (which was inflated by the exceptional 2020-22 Covid period). 4. Freight rates on Shanghai to Genoa decreased by 8% or \$517 to \$5,848 per 40ft container. Followed by rates on Shanghai to Rotterdam and Rotterdam to Shanghai which declined by 6% to \$4,661 and \$964 per feu respectively. Likewise, rates on Los Angeles to Shanghai dropped by 4% or \$28 to \$734 per 40ft box. Conversely, rates on New York to Rotterdam grew by 3% or \$20 to \$635 per feu. Similarly rates on Shanghai to Los Angeles increased by 2% or \$77 to \$4,421 per 40ft container. Followed by rates on Rotterdam to New York which improved by 1% or \$13 to \$1,589 per 40ft box. While rates on Shanghai to New York remained stable. Drewry expects rates to continue plateauing as China's factories gear down in February, 2024.

6. Red Sea turmoil drives Chinese exporters to rail, other alternatives

A recent round of U.S. and British strikes on Houthi targets in Yemen raise fresh questions about the impact of container shipping in the Red Sea, as shippers continue to seek alternative means of navigating the crisis. The strikes, which were conducted on February 3, 2024, spurred threats from Houthi leaders and a warning from Jake Sullivan, national security advisor to President Joe Biden, that any direct response by Iran — rather than through the Houthi rebels it backs — “would be met with a swift and forceful response from us.” Container shipping fundamentals have tightened as trade continues to be diverted from the Red Sea. Prior to the attacks, roughly 28% of container ship volumes passed through the Suez Canal, per analysis from Bank of America. Now, those volumes are down 90%.

7. NWSA gateway Terminal 46 supports transport of Canadian-bound automobile cargo in Seattle

Terminal 46 marked a significant milestone on Friday, February 2nd, 2024 as it welcomed the arrival of the GLOVIS vessel *Silver Sky* transporting automobiles destined for Canada. More than 2,500 automobiles discharged at Terminal 46, in The Northwest Seaport Alliance (NWSA) gateway, where they will await transport to Canadian KIA and Hyundai dealerships later this month. As the first automobile vessel in more than 20 years to call the terminal, this new automobile business will further increase automobile volumes in the NWSA gateway which were up 96% year-over-year in December 2023. Over the past several years, Terminal 46 has played a critical role in providing available capacity for various cargo needs throughout the gateway. In response to post-pandemic containerized cargo surges, Terminal 46 evolved into a crucial near-dock storage facility, facilitating the seamless movement of containerized cargo. On February 5, 2024, Terminal 46 stands ready to handle this increased Canadian-bound cargo opportunity. "The NWSA works hard to ensure we can accommodate the needs of our customers and we are glad to have strategic properties like Terminal 46 to help facilitate more cargo movement in our region," stated Kristin Ang, Port of Tacoma Commission President and NWSA Co-Chair.

8. Ocean freight industry lagging in digitization, report finds

A new study has found that 40 percent of ocean freight carriers are not using digital solutions to expedite operations. The report, based on a large-scale survey conducted by ODeX, provides in-depth insights into the operational challenges, adoption of digital documentation, and the evolving landscape of maritime logistics.

9. Tanker transits plunge 20% in Red Sea: Lloyd's List

New data from Lloyd's List Intelligence shows an acceleration of tankers diverting away from the Red Sea. Since Jan. 12, 2024 when the first of three U.S.-led military strikes began on Houthi land targets, more than 106 tankers have changed routes to avoid the area. Lloyd's List is tracking the rapid drop in transits of tankers and bulk vessels through the Gulf of Aden and the Red Sea. Lloyd's List Intelligence vessel tracking data recorded a 40% week-on-week (w/w) drop in crude tankers transiting the Bab el-Mandeb strait the week ending Feb. 4, 2024. The average daily number of active vessels in the Red Sea last week was 212, down from about 229 the week prior and from 373 last year. Red Sea tanker transits plunged 20%, as more than 100 tankers diverted to travel around the Cape of Good Hope since initial

for refrigerated export cargo in 2023, February 21, 2024, www.ajot.com

23. Maritime Administration Announces Centers of Excellence Designations for Domestic Maritime Workforce Training and Education, February 22, 2024, www.dot.gov

24. Business up in January at ports of Savannah, Brunswick, February 22, 2024, www.freightwaves.com

25. UNCTAD releases report on shipping disruptions, February 24, 2024, www.insidelogistics.ca

26. Autoport workers vote to strike, February 26, 2024, www.insidelogistics.ca

27. Threat of strike looms large over East, Gulf Coast ports, February 26, 2024, www.freightwaves.com

28. Port of Oakland January container volume continues to rise, February 26, 2024, www.ajot.com

military strikes on Houthis. But according to new data from Vortexa, the number of crude tankers rerouting appears to be accelerating. The data reflects cargo-carrying vessels of 10,000 deadweight tonnage or more. The pre-Houthi attack average was taken for the period Nov. 6 to Dec. 3, 2023.

10. Port of New York and New Jersey total volume for 2023 exceeds pre-COVID numbers

The Port of New York and New Jersey finished 2023 with volume totals that exceeded 2019's pre-COVID numbers by 4.4 percent. December's 2023 total volume added to the positive numbers, reaching 633,925 TEUs (351,402 containers), a 3.4 percent increase compared to the 613,011 TEUs (341,108 containers) recorded in December 2022. This number brings the Port of New York and New Jersey's 2023 total to 7,810,005 TEUs (4,328,153 containers). Imports also rose in December 2023 at the Port of New York and New Jersey. Compared to the previous year, imports increased by 7.5 percent, totalling 326,412 TEUs (180,534 containers) and 303,596 TEUs (169,605 containers). For 2023, total imports reached 3,990,270 TEUs (2,212,980 containers), a 16.9 percent decrease compared to the 4,804,436 TEUs (2,663,226 containers) recorded in 2022. December 2023 exports increased 1.4 percent compared to December 2022. A total of 104,278 TEUs (56,013 containers) passed through the Port of New York and New Jersey in December 2023 versus 102,866 TEUs (55,544 containers) the previous year. For 2023, exported loads reached 1,284,976 TEUs (693,781 containers), a 1.1 percent decrease from the 1,299,070 TEUs (703,472 containers) recorded in 2022. In 2023, the seaport was the second busiest in the nation for loaded imports and exports, handling 5.3 million loaded TEUs throughout the year. Export empties decreased by 1.7 percent in December, totalling 200,746 TEUs and 204,115 TEUs in December 2022. A total of 2,512,038 export empties were recorded in 2023, a 25.4 percent decrease compared to the 3,369,519 TEUs of 2022. Import empties rose by 10.1 percent in 2023 versus the previous year.

11. Port of Montreal supports nearly 600,000 jobs, study finds

The Port of Montreal is pivotal in underpinning 589,364 jobs and generates \$93.5 billion in economic activity, a new study has found. These figures from a Martin Associates economic study indicate the importance of the Port of Montreal to the Canadian and Quebec economies, where 3.5 percent of national GDP (\$93.5 billion) and 10 percent of Quebec GDP (\$54.9 billion) are due, in part, to the business activities driven by the 36 million metric tons (tonnes) of cargo that moved through the port in 2022. The study, "Economic Impacts of the Port of Montreal", measured the impacts of cargo-related activities at the Port of Montreal on the economies of Canada and Quebec.

12. Coast Guard finalizes 2024 Great Lakes Pilotage Rates

On February 9, 2024, the U.S. Coast Guard (USCG) published a Final Rule in the Federal Register outlining U.S. Great Lakes pilotage rates for the 2024 shipping season. The new rates seek to generate revenue for each of the three U.S. Great Lakes pilot associations by implementing hourly charges for pilotage services according to geographic area. Pilotage rates are paid by vessel operators serving Great Lakes ports. Although pilotage is a necessary service for safe navigation, Great Lakes ports have historically criticized the Coast Guard for being insensitive to high pilotage costs, which can negatively impact the competitiveness of maritime commerce on the Great Lakes St. Lawrence Seaway system. The Coast Guard proposes to increase the overall cost of U.S. Great Lakes pilotage in 2024 compared to 2023 by \$2.6 million or 7 percent. In 2024, the USCG is proposing a total workforce of 58 fully registered pilots and 6 apprentice pilots. The Coast Guard will be increasing annual individual pilot compensation from \$424,318 to a new high of \$440,658 - a 3.8 percent increase.

13. Unifor members reject Autoport settlement

Unifor members working at Autoport at the Port of Halifax have rejected a tentative agreement. Autoport is a subsidiary of CN Rail and its facility is one of North America's largest vehicle processing and transshipment facilities, handling nearly 185,000 vehicles per year. The union said the agreement did not reflect the contributions its workers make to Autoport's operations. The union has contacted the conciliation officer to communicate the results of the vote. It formally requested the filing of a 'no board' report with the province of Nova Scotia. This action initiates a 14-day cooling-off period, which the union said it needs to "reassess our position and strategize our next steps".

14. Global trade organizations make joint call for safe shipping in the Red Sea

A group of over 100 global trade organizations has called on countries to join, support, or align with the mission to support safe and secure maritime commerce in the Red Sea. In an open letter called the "Global Maritime Security Joint Letter", the groups expressed support for Operation Prosperity Guardian, the US-led multinational security initiative with at least 23 participating countries, including Canada.

15. Carriers, shippers using feeder networks to mitigate Red Sea port disruptions

The diversion of ultra-large container ships away from the Red Sea is delaying shipments for frustrated Saudi and, to a lesser extent, Egyptian importers and forcing them to rely on feeder networks. The shipping industry still deems southbound voyages through the Suez Canal as far as Jeddah Islamic Port in Saudi Arabia as beyond the reach of the Houthi militant attacks that have forced the majority of large container ship traffic to divert around the Cape of Good Hope in southern Africa, Dr. Amr Hassanein, yard planning manager for Damietta Container & Cargo Handling Co. (DCHC) in Egypt. The use of feeder networks is helping to mitigate some of the Red Sea port disruptions.

16. Florida ports are surging with traffic, but Georgia and Texas are going to be competition

Florida's 16 publicly owned seaports had a banner year in 2023, setting records for cargo and cruise traffic, according to a report recently released by the Florida Seaport Transportation and Economic Development Council. Seven of the 16 ports accommodate cruise ships, 10 handle cargo. But despite that good news, Mike Rubin, president of the Florida Ports Council, offered a warning that Florida's ports can't simply soak up the sunshine and relax. Rubin said Georgia and Texas are taking steps to encroach on Florida's market share by investing heavily in their ports. He said he is especially concerned with Texas as the state legislature there is expected to allocate more than \$200 million in the coming years to increase port capacity and improve infrastructure.

17. FMC upholds ruling upending current chassis pool system

Long-standing practices for feeding chassis into intermodal markets have been dealt another blow in legal proceedings before the Federal Maritime Commission. In a 4-1 vote Tuesday, the FMC upheld an administrative law judge's (ALJ) ruling from just over a year ago that the current system of major oceangoing carriers designating exclusive chassis providers for port-to-port moves, also known as merchant hauling, violates federal law. The case was brought in 2020 by the Intermodal Motor Carriers Conference (IMCC), an arm of the American Trucking Associations. The defendant is the Ocean Carrier Equipment Management Association (OCEMA). It is a U.S.-based group of 12 major ocean carriers, and the intermodal movement of freight is its sole activity. Specifically, IMCC said the chassis pool system violated 46 U.S. Code § 41102, a part of the U.S. code that deals with ocean shipping.

18. January Volumes Up at Ports of LA, Long Beach

Trade moving through the ports of Los Angeles and Long Beach rose in January 2024 as retailers stocked up ahead of the Lunar New Year, when East Asian factories typically close for up to two weeks. The *Port of Los Angeles* handled 855,652 TEUs (twenty-foot equivalent units) last month, surpassing January 2023 by 18%. According to the Port, this was the second-best start to the year on record; it was eclipsed only by the pandemic-induced cargo surge in 2022. January 2024 loaded imports came in at 441,763 TEUs, up 19% from the prior-year period. Loaded exports landed at 126,554 TEUs, up 23% from the same month last year. The Port processed 287,336 empty containers, a 14% rise over 2023. At the *Port of Long Beach*, dockworkers and terminal operators moved 674,015 TEUs in January, up 17.5% from the same point last year. While imports increased 23.5% to 325,339 TEUs, exports were down 18.1% to 86,525 TEUs. Empty containers moving through the Port increased 28% to 262,151 TEUs. The strong start to 2024 marked the Port of Los Angeles' sixth consecutive month of year-over-year (y/y) increases, following 12 months of declines in cargo movement, and the Port of Long Beach's fifth consecutive month of y/y increases, after 13 months of declines.

19. Import demand growth robust leading into Lunar New Year

Bookings for twenty-foot equivalent units (IOTI) spiked well above last year's levels for freight bound for the nation's top four port complexes heading into Chinese New Year (CNY). The IOTI is an index that measures container volumes being booked by departure date from the port of origin, about 15-30 days before landing in the U.S. A spike in orders occurs in front of the Lunar New Year celebrated in China each year. The largest amount of maritime containerized freight heading to the U.S. originates in China. This makes it important for importers to get their freight ordered in front of the biggest Chinese holidays as production goes offline for long periods of time. This year's data is showing a dramatic shift.

20. No bump yet in trans-Pacific demand from Red Sea, Panama Canal: Matson

The Jones Act carrier's expedited service from China saw a strong fourth quarter in terms of volume, but lower freight rates tempered the revenue gains. Express carrier Matson saw container volumes out of China rise strongly in the fourth quarter, but low ocean freight rates kept a lid on revenue growth, it said on February 21, 2024. Matson, in its fourth-quarter and full-year 2023 earnings report, added that the impact of the Red Sea diversions and the Panama Canal drought have yet to provide it with any uplift in trans-Pacific volumes to the US West Coast. The niche carrier reported that its two express services from China carried 34,900 FEUs during the fourth quarter, a 23% year-over-year gain; it is the carrier's second-busiest trade segment.

21. Cargo ship attacked off coast of Yemen

Two missiles were fired at a cargo ship off the southeast coast of Yemen on February 22, 2024, causing fire onboard, the British Maritime Trade Operations Agency (UKMTO) reported. The maritime agency said it received a report of a missile attack on a cargo ship sailing around 70 nautical miles southeast of the port city of Aden. Although the type of the ship and its cargo have not been revealed, the UKMTO indicated that the U.S.-British coalition naval forces are actively addressing the situation. The status of any crew casualties remains uncertain. Following the incident, the UKMTO has warned all ships passing through the area to exercise caution. Vessels are also urged to report suspicious sightings or activities that may jeopardize maritime security.

22. Port of Oakland remains preferred gateway for refrigerated export cargo in 2023

The Port of Oakland is a refrigerated cargo powerhouse. It ranks number one by TEU (twenty-foot container) volume in refrigerated (reefer) export trade among United States (US) ports. Oakland has ranked first among all US ports in

international reefer export TEU's for seven consecutive years. The total commercial value of reefer exports through Oakland reached \$7.1 billion in 2023. "The Port and its partners have made significant investments in state-of-the-art, temperature-controlled facilities over the past seven years, including Cool Port, PCC Logistics and Custom Goods," said Port of Oakland Maritime Director Bryan Brandes. "With this additional cargo capacity and value-added services, we have been able to consistently attract the reefer export business." The Port of Oakland is a premier export gateway for refrigerated products, due in part to its central location on the US West Coast. The Port is often the last US port of call for container ships before they set sail for Asia. Therefore, refrigerated cargo can arrive fresher to overseas markets by leaving from Oakland. In 2023, the Port of Oakland's reefer export volumes increased by 4%, while total US volumes for temperature-sensitive exports declined by 20%. The Port increased its overall market share of reefer exports by 4.1%, from 14.2% to 18.3%. Top reefer commodities exported from the Port are beef, pork, fruits, dairy products, and vegetables.

23. Maritime Administration Announces Centers of Excellence Designations for Domestic Maritime Workforce Training and Education

On February 22, 2024, the U.S. Department of Transportation's Maritime Administration (MARAD) announced the designation of 32 Centers of Excellence (CoE) for Domestic Maritime Workforce Training and Education. The designated COEs consist of 50 maritime training locations across 17 states and Guam. The designation recognizes and promotes support to post-secondary maritime training programs that prepare students for careers in the maritime industry. "Our country depends on a highly-skilled mariner workforce to strengthen both our economy and our national security," said U.S. Transportation Secretary Pete Buttigieg.

24. Business up in January at ports of Savannah, Brunswick

The Colonel's Island Terminal at the Port of Brunswick handled 65,400 units of roll-on, roll-off cargo in January 2024. The Port of Savannah kicked off 2024 with a modest gain in container shipments, moving 428,000 twenty-foot equivalent units in January 2024, a 1.5% year-over-year (y/y) increase from the same month last year. The port ended calendar-year 2023 with a total of 4.9 million TEUs, a decrease of 16% compared to 2022. Higher inflation rates and interest rates slowed consumer spending, resulting in higher inventories in warehouses, according to officials for the Georgia Ports Authority (GPA).

25. UNCTAD releases report on shipping disruptions

The UN Conference on Trade and Development (UNCTAD) has released "Navigating Troubled Waters. The Impact to Global Trade of Disruption of Shipping Routes in the Red Sea, The Black Sea and the Panama Canal" a report signaling how attacks on Red Sea shipping which have severely affected shipping through the Suez Canal, added to existing geopolitical and climate-related challenges, are re-shaping the worlds' trade routes. In the wake of recent attack to shipping, the Red Sea's maritime trade routes through the Suez Canal have become severely disrupted further impacting the global trade landscape. This development compounds the ongoing disruption in the Black Sea due to the war in Ukraine, which has resulted in shifts the oil and grain trade routes, altering established patterns.

26. Autoport workers vote to strike

Unifor members working at Autoport in Halifax have issued a strike notice. They can walk off the job at 12:01 am on February 27, 2024. Conciliation is set to take place on February 26, 2024. Unifor Local 100 represents 239 employees at the Autoport vehicle processing and transshipment hub, situated in Eastern Passage, Nova Scotia. Operating under CN Rail, Autoport stands as one of the most extensive facilities of its kind in North America, processing and transshipping close to 185,000 vehicles annually. "The union remains fully committed to negotiating a fair and equitable deal for our members that address the challenging economic times," said Lana Payne, Unifor national president. "I am calling on the employer to return to Monday's negotiations with a genuine intent to reach an agreement. Our members prefer to avoid a labour dispute but stand ready to act if it becomes necessary."

27. Threat of strike looms large over East, Gulf Coast ports

The labor contract between the International Longshoremen's Association and the United States Maritime Alliance (USMX) is set to expire at the end of September 2024. The ILA represents some 70,000 dockworkers, while the USMX represents employers at 36 coastal ports — including three of the U.S.'s five busiest ports: the Port of New York and New Jersey, the Port of Savannah, Georgia, and the Port of Houston. Contract negotiations between the ILA and the USMX began in February 2023 but quickly foundered on the issue of wage increases. Developments since then have not been promising.

28. Port of Oakland January container volume continues to rise

The Port of Oakland January 2024 container volume continues its upward trajectory, following a trend first seen in 2023. Full imports increased 8.2%, with the Seaport handling 72,081 TEUs (twenty-foot containers) in January 2024, versus 66,637 TEUs in January 2023. Full exports saw an increase of 9.3%, with 62,596 TEUs transiting the Seaport in January 2024, compared to 57,279 TEUs in January 2023. "Imports benefitted from strong consumer demand, as well as the normal seasonal uptick each January prior to factories in Asia closing for the Lunar New Year," said Port of

Oakland Maritime Director Bryan Brandes. “The increase in export volume can be partially attributed to consumer demand in Asia remaining high for U.S. agricultural exports.” Empty imports declined 1.1%, with 17,117 TEUs passing through Port facilities in January 2024, in contrast to 17,299 TEUs in January 2023. Empty exports also dropped 24.5%, with the Seaport handling 28,694 TEUs in January 2024, compared to 38,014 TEUs in January 2023.

RAIL TRANSPORTATION

1. CPKC delivers strong fourth-quarter results; carrying momentum into 2024

For CP, the results for the fourth quarter of 2023 compared to the same quarter in 2022 were as follows: net income was \$ 1,018 million, a decrease of 19.9 percent from \$ 1,271 million, and diluted earnings per share was \$1.10, a decrease of 19.12% from \$1.36; total revenues were \$3,776 million, an increase of 53.37 per cent from \$ 2,462 million; operating income was \$1,442 million, an increase of 45.8 per cent from \$989 million; operating expenses were \$ 2,334 million, an increase of 58.45% from \$ 1,473 million and the operating ratio was 61.8, a 2.0 point increase (i.e. from 59.8). Keith Creel, CP President and Chief Executive Officer said "I am proud of how our team of incredible railroaders finished this transformational year with a strong fourth quarter, allowing CPKC to deliver volume growth and best-in-class earnings growth in 2023," said Keith Creel, CPKC President and Chief Executive Officer. "Since our historic combination in April 2023, our united CPKC team has steadily built momentum, bringing new competition to supply chains and creating more value for our customers, while remaining focused on service and safety." Full-year 2023 results: 1. Reported OR increased by 280 basis points to 65.0 percent from 62.2 percent in 2022; 2. Core adjusted combined OR increased 30 basis points to 62.0 percent from 61.7 percent in 2022; 3. Reported diluted EPS increased to \$4.21 from \$3.77 in 2022; 4. Core adjusted combined diluted EPS increased two percent to \$3.84 from \$3.77 in 2022; 5. FRA-reportable train accident frequency declined 32 percent to 0.99 from 1.45 in 2022 on a combined Basis; 6. FRA-reportable personal injury frequency declined 12 percent to 1.14 from 1.30 in 2022 on a combined basis.

2. Canadian Pacific Kansas City Limited declares dividend

The Board of Directors of Canadian Pacific Kansas City Limited on January 30, 2024 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares. The dividend is payable on April 29, 2024, to holders of record at the close of business on March 28, 2024, and is an “eligible” dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

3. NS and unions reach deal on close-call reporting pilot

Norfolk Southern Corporation (NS), the Brotherhood of Locomotive Engineers and Trainmen (BLET), and the International Association of Sheet Metal, Air, Rail and Transportation Workers – Transportation Division (SMART-TD), in partnership with the US Federal Railroad Administration (FRA), have agreed to take part in a pilot program to test close-call reporting. Under the one-year Confidential Close Call Reporting System (C3RS) pilot, covered NS employees can report safety concerns with the certainty that such reports will not result in discipline. The data will be anonymized data and reviewed by a joint committee of NS and labour representatives, who, with FRA’s guidance, will identify and implement corrective actions to improve safety.

4. STB Strikes Down CN’s Chicago Interchange Proposal

The Surface Transportation Board (STB) has for the second time found that CN-subsi-diary Wisconsin Central, Ltd.’s proposal “to unilaterally designate” the Belt Railway of Chicago’s (BRC) Clearing Yard as the location where it will receive traffic in interchange from Canadian Pacific

RAIL TRANSPORTATION

Canada

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16. CN’s Sustainability Leadership Recognized through Key ESG Rankings, February 12, 2024, www.cn.ca
17. Legend and Legacy: 175 Years of BNSF and Counting, Febr. 12, 2024, www.railwavage.com
18. North American Rail Volume Flat Through Week 6, AAR, February 14, 2024, www.railwavage.com
19. Investigation underway into 2 separate train derailments in B.C., February 16, 2024, www.msn.com
20. CPKC and TCRC labour negotiations update, February 16, 2024, www.cpkc.ca
21. CPKC requests conciliator in talks with Teamsters, Feb 19, 2024, www.insidelogistics.ca
22. CN Files a Notice of Dispute, February 16, 2024, www.cn.ca
23. New Rail Transit Line for Eastern Montreal?.

Kansas City-subsidary Soo Line Railroad Company “is not consistent with the reasonableness requirement of 49 U.S.C. § 10742.” According to the STB, Wisconsin Central, Ltd. (CN) on April 14, 2020, filed a petition for declaratory order regarding its proposal to use Clearing Yard to interchange traffic from Soo Line Railroad Company in the Chicago, Ill., area. “Under CN’s proposal, CP would be required to pay all of its own costs to reach Clearing for interchange with CN, including the switching fees due to BRC for service on BRC’s line,” the STB reported in its Jan. 29 decision.

5. Freight Rail Services Price Index, January 2024

Data for January for the Freight Rail Services Price Index (2018=100) are now available. The index for January 2024 is 127.4 compared to 130.1 for December 2023 and 129.2 for January 2023.

6. AAR: Carloads Down, Intermodal Up for Week 4

U.S. rail traffic for the week ending Jan. 27, 2024 (Week 4) was virtually flat with the prior-year period, as carload losses offset intermodal gains, according to the Association of American Railroads’ latest report. U.S. Class I railroads hauled 467,222 carloads and intermodal units for the week ending Jan. 27, 2024—up 0.7% from the same point last year, **AAR** reported Jan. 31, 2024. Total carloads came in at 208,131, down 9.0% from 2023, while U.S. weekly intermodal volume was 259,091 containers and trailers, up 10.1% from 2023. For the week ending Jan. 27, 2024, Canadian railroads reported 87,086 carloads, decreasing 7.3%, and 67,580 intermodal units, decreasing 4.2% from the same week in 2023. For the first four weeks of 2024, they reported cumulative rail traffic volume of 579,313 carloads, containers and trailers, down 8.8%.

7. CPKC (CPKC) Joins RailPulse Coalition Driving Innovation in Railcar Telematics

On February 1, 2024, Canadian Pacific Kansas City announced its membership in the RailPulse Coalition. RailPulse, founded by a dynamic consortium of forward-thinking railcar owners, is working to develop, broaden and accelerate the use of GPS and other telematics technologies on railcars that increase safety, efficiency, and visibility across North America’s freight rail industry. CPKC becomes the third Class I railroad and 10th member of the coalition, joining Bunge North America, GATX, Genesee & Wyoming Inc., Norfolk Southern Corporation, Railroad Development Corporation, The Greenbrier Companies, TrinityRail, Union Pacific Railroad, and Watco Companies LLC.

8. CN to Acquire IANR

CN on Dec. 6 signed and closed an agreement to acquire Iowa Northern (IANR), an approximately 275-mile U.S. Class II (regional) railroad that it interchanges with in Waterloo and Cedar Rapids. Terms were not disclosed. An application was filed with the Surface Transportation Board on Jan. 30, 2024. According to CN, the transaction “represents a meaningful opportunity to support the growth of local business by creating single-line service to North American destinations, while preserving access to existing carrier options.” The transaction has closed into an independent voting trust pending regulatory review by the **Surface Transportation Board**. Former Federal Railroad Administrator and career railroader Ron Batory is trustee. A decision is expected in 2024, the Canadian Class I railroad said.

9. VIA Rail Canada recognized by Forbes as one of Canada’s best employers 2024

VIA Rail Canada (VIA Rail) announces its recognition by Forbes as one of Canada’s Best Employers 2024. This prestigious accolade serves as a testament to VIA Rail’s unwavering commitment to providing an exceptional work environment to its employees, including competitive and equitable compensation and benefits, a good work-life balance, training and growth opportunities. VIA Rail secured the top position as the best employer in the air and rail passenger transportation industry. “Our outstanding employees are a close-knit community of passionate individuals who share a love for trains, travel, and a common mission of putting passengers first,” said Mario Péroquin, President and CEO of VIA Rail. “They are the backbone of VIA Rail, and that is a strong motivation to continue providing the best employee experience we can.”

10. CSX Reaches Paid Sick Leave Agreements with Four Unions; BLET Ratifies Agreement with SL&A

CSX announced Feb. 1, 2024 that it has reached agreements with four additional groups of railroad workers to provide paid sick leave benefits. The unions include Sheet Metal, Air, Rail and Transportation Workers-Transportation Division Conductors/Trainmen (SMART-TD C&O), SMART-TD Yardmasters, International Brotherhood of Boilermakers, and Carrolton Road-Transportation Communications Union-represented Engineers / Yardmen / Maintenance of Way employees. According to the Class I, these agreements extend coverage to more than 600 employees, “further solidifying CSX’s industry-leading initiative of providing paid sick leave to its workforce.” In 2023, CSX became the first U.S. Class I railroad to extend paid sick leave agreements to its contract workers.

11. CN Legal Department Awarded Mansfield Certification for Boosting Diversity Within Leadership

February 20, 2024, www.railwayage.com

24. AAR: North American Rail Volume Flat Through Week 7, February 21, 2024, www.railwayage.com

25. Railway carloadings, December 2023, February 22, 2023, www.statcan.gc.ca

26. UP Confirms \$3.4B Capex Program, February 22, 2024, www.railwayage.com

27. For HBRY, Port of Churchill, a \$60MM Investment, Feb. 23, 2024, www.railwayage.com

28. Americold Kicks Off Collaboration With CPKC, February 23, 2024, www.railwayage.com

29. Rail Vision sets new safety standards for Europe: Achieves regulatory approval and certificate for railway operation in the EU, February 26, 2024, www.ajot.com

CN is pleased to announce it has achieved Mansfield Certification, a designation awarded by Diversity Lab that measures the structural changes and actions CN has taken to ensure the hiring and promotion processes and paths to leadership within our legal department are open and transparent to all qualified lawyers and other legal professionals. The Mansfield Rule Law Department Edition is a certification process designed to ensure all participating corporate legal departments provide a fair and equal opportunity to be hired, promoted and advance into leadership. Mansfield is focused on broadening the talent pool for consideration in hiring, including those historically underrepresented in the legal profession, and to facilitate transparent leadership pathways.

12. Can STB Pivot to Satisfy Shippers?

Rail captive shippers—primarily of chemicals and coal—unable to utilize barge or truck alternatives and lacking two-railroad competition owing to decades of mergers are an unhappy lot. They pay more because they lack modal choices. “They may be destined to future unhappiness if public policy focus does not change,” says retired University of Tennessee economist Mark Burton. Public policy can erase discriminatory rate spreads, but decades of such rigid fiat brought the rail industry to the brink of financial ruin. Redemption was delivered by Congress in 1980 through partial economic deregulation—lawmakers recognizing the essentiality of demand-based differential pricing whereby those with fewer transportation alternatives necessarily pay more to keep the rail network solvent. The economic rationale is railroads have relatively high fixed costs to be paid in full regardless of whether 100,000 carloads are transported or just 1,000. The costs include building and maintaining—and paying property taxes on—an extensive privately owned infrastructure. Barge and truck operators can charge less because their rights-of-way are government provided, with lower than full-cost recovery user charges. As shippers with competitive options won’t pay more for rail, railroads must charge less if the business is to be had. So long as lower rates at least cover direct costs of the transportation provided—crew compensation, fuel and maintenance associated with infrastructure wear and tear—even a minimal contribution to fixed costs reduces the spread captive shippers must shoulder. “It’s time we created a new, forward thinking set of regulatory goals important to the 21st century,” Burton says.

13. US rail group tells Transportation Secretary Buttigieg safety record has been misrepresented

The US railroad industry trade group pushed back against comments made about rail safety in an unusually forceful letter to Buttigieg, who spoke with the media and participated in a press conference last week ahead of the one-year anniversary of the derailment in East Palestine, Ohio. The Association of American Railroads said that rail is the safest mode of cargo transportation and safer than other industries when measured by injury and illness per hours worked by employees. Since 2000, the industry has also improved its employee casualty rates by 46% and train accidents per million train miles have decreased 23%, the trade group said in the letter. “That is why it is so disheartening to hear those who know better misrepresent the industry’s safety record — and its continuing efforts to become even safer — in furtherance of their own agendas,” said the letter, signed by Ian Jefferies, chief executive officer of the AAR. “Allowing misunderstandings about freight rail safety to go uncorrected undercuts public confidence, not only in the safety of one key component of our nation’s critical infrastructure, but also in your department.”

14. AAR: ‘January Not Necessarily a Harbinger of What’s to Come’

“In January, severe winter weather significantly disrupted railroad and rail customer operations in much of the country,” said Association of American Railroads (AAR) economist Dan Keen. “Moreover, uncertainty remains in the economy, especially in sectors that are important to railroads, like manufacturing. Because of these factors, January is not necessarily a harbinger of what’s to come for rail traffic in the months ahead.” The Association of American Railroads (AAR) on February 7, 2024 reported U.S. rail traffic for the week ending February 3, 2024, as well as volumes for January 2024. U.S. railroads originated 1,025,168 carloads in January 2024, down 7.2 percent, or 79,725 carloads, from January 2023. U.S. railroads also originated 1,206,014 containers and trailers in January 2024, up 5.5 percent, or 63,195 units, from the same month last year. Combined U.S. carload and intermodal originations in January 2024 were 2,231,182, down 0.7 percent, or 16,530 carloads and intermodal units from January 2023. In January 2024, six of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with January 2023. Canadian railroads reported 91,685 carloads for the week, up 1.8 percent, and 72,643 intermodal units, up 12.7 percent compared with the same week in 2023. For the first five weeks of 2024, Canadian railroads reported cumulative rail traffic volume of 743,641 carloads, containers and trailers, down 5.8 percent.

15. FRA Proposes Changes to Freight Car (Safety Standards)

The Federal Railroad Administration (FRA) in December 2023 proposed to amend the Freight Car Safety Standards (FCSS) to advance a freight rail safety provision of the Bipartisan Infrastructure Law (BIL). Manufacturers of newly built freight cars placed into U.S. service will face restrictions. The Railway Supply Institute weighed in this month, as did the Rail Security Alliance, which represents North American freight railcar manufacturers and component suppliers.

16. CN’s Sustainability Leadership Recognized through Key ESG Rankings

CN is pleased to be recognized by the 2024 S&P Global Yearbook as one of the top sustainability performers in the transportation industry. CN was also recognized for its leadership on climate change by global environmental non-profit

CDP. CN's achievements reflect the Company's steadfast dedication to environmental stewardship, social responsibility and good governance underpinned by consistent and comprehensive reporting.

17. Legend and Legacy: 175 Years of BNSF and Counting

It was 175 years ago today, Feb. 12, 1849, that the Illinois General Assembly chartered the Aurora Branch Railroad, a six-mile-long track between Batavia, Ill., and West Chicago. Chugging along with borrowed equipment and secondhand steel tracks, little did the branch line, nor the developing American economy, know this small railway would grow into one of the largest North American railroads. Now serving 28 states in the western two-thirds of the U.S., three Canadian provinces and five key Mexican gateways with 32,500 route miles of track, BNSF is proud of our humble beginning. "Our legacy of growth and innovation was made possible by generations of resilient and dedicated railroaders from more than 400 predecessor rail lines, leading up to the people of BNSF who continue that tradition today," BNSF President and CEO Katie Farmer said. For further history on BNSF see this source.

18. North American Rail Volume Flat Through Week 6, AAR

Through the first six weeks of 2024 (ending Feb. 10), total North American carload and intermodal traffic was down 0.8%—virtually flat—compared with the same point last year, according to AAR Feb. 14 report. While Mexico saw a gain, Canada experienced a decline and U.S. traffic was virtually flat. North American rail volume for the first six weeks of this year on 12 reporting U.S., Canadian and Mexican railroads came in at 3,775,396 carloads and intermodal containers and trailers. Cumulative volume in the U.S. was 2,716,022 carloads and intermodal units, up 0.2% from 2023; in Canada, 905,968 carloads and intermodal units, down 4.7%; and in Mexico, 153,406 carloads and intermodal units, up 5.9%. Canadian railroads reported 92,811 carloads for the week ending Feb. 10, 2024, down 0.5%—virtually flat—compared with the same week in 2023. They also reported 69,516 intermodal units for the week ending Feb. 10, 2024, up 2.9% from the same point last year.

19. Investigation underway into 2 separate train derailments in B.C.

Canada's Transportation Safety Board (TSB) said on February 18, 2024 that it's looking into two unrelated railway derailments in B.C.'s mountains, deploying investigators to one near Field, B.C., and gathering information on another near Revelstoke that sent two people to hospital. The federal agency said both incidents involved trains operated by Canadian Pacific Kansas City (CPKC) railway. One of CPKC's trains derailed near Field, a small community near the Alberta border, the TSB said, adding it had sent a "team of investigators" to the site, known as Ottertall station. In a statement on February 18, 2024 morning, the TSB said the derailment happened on February 17, 2024, but did not provide an exact time. Meanwhile, another derailment nearly 13 kilometres east of Revelstoke happened after 10 p.m. on February 16, 2024, after two trains collided east of the southern Interior city, sparking a fire, officials confirmed.

20. CPKC and TCRC labour negotiations update

Canadian Pacific Kansas City (CPKC) on February 16, 2024 filed a Notice of Dispute with the Federal Mediation and Conciliation Service requesting the appointment of a Federal Conciliation Officer to assist CPKC and both the Teamsters Canada Rail Conference (TCRC) – Train & Engine (T&E) division and the TCRC - Rail Canada Traffic Controllers (RCTC) division in reaching negotiated collective agreements. The TCRC - T&E represents CPKC's roughly 3,200 locomotive engineers, conductors and train and yard workers, and the TCRC - RCTC represents approximately 80 rail traffic controllers, all in Canada. This is a process available under the Canada Labour Code to help employers and unions achieve negotiated collective agreements. Since September 2023, CPKC has been negotiating in good faith with the TCRC - T&E and TCRC - RCTC. CPKC has offered both a fair and balanced agreement with wage and benefit increases and more schedule predictability and quality of life improvements for its T&E employees. The latest collective bargaining negotiation session took place the week of January 29, 2024. Both CPKC and Union leadership remain far apart on the issues.

21. CPKC requests conciliator in talks with Teamsters

Canadian Pacific Kansas City has filed a Notice of Dispute with the Federal Mediation and Conciliation Service requesting the appointment of a Federal Conciliation Officer in union negotiations. This is a process available under the Canada Labour Code to help employers and unions achieve negotiated collective agreements. The railway is in talks with both the Teamsters Canada Rail Conference (TCRC) – Train & Engine (T&E) division and the TCRC – Rail Canada Traffic Controllers (RCTC) division trying to reach negotiated collective agreements. The TCRC – T&E represents CPKC's roughly 3,200 locomotive engineers, conductors and train and yard workers, and the TCRC – RCTC represents approximately 80 rail traffic controllers, all in Canada.

22. CN Files a Notice of Dispute

On Feb. 16, 2024, CN filed for a notice of dispute in its negotiations with the Teamsters Canada Rail Conference (TCRC) to support the parties in achieving a negotiated settlement. The TCRC represents approximately 6,000 conductors, conductor trainees, yard coordinators and locomotive engineers across CN's network in Canada. CN strongly believes that an agreement can be achieved through the collective bargaining process and remains committed to working with the TCRC to reach an agreement that is good for the employees, for CN and for Canada's supply chain.

23. New Rail Transit Line for Eastern Montreal?

There will probably be a new rail transit line coming to the eastern part of Montreal, but it is years off. The Canadian Broadcasting Corporation (CBC) recently reported that the Autorité régionale de Transport Métropolitain (ARTM), the regional transit authority for the area, is “proposing a ground-level rail line to serve eastern Montreal.” All of Montreal’s Metro lines run completely underground. The former proposal called for an underground line as well but was apparently scaled down because of the cost of building it. CBC reported the cost of the current proposal this way: “The cost? A mere C\$10.4 b., which is considerably lower than the ARTM’s fully underground proposal in June 2023.

24. AAR: North American Rail Volume Flat Through Week 7

Through the first seven weeks of 2024 (ending Feb. 17), total North American carload and intermodal traffic was down 0.2%—virtually flat—compared with the same point last year, according to the AAR Feb. 21 report. While Mexico saw a gain, Canada experienced a decline and U.S. traffic was virtually flat. For this week, total U.S. weekly rail traffic was 474,226 carloads and intermodal units, up 3.7 percent compared with the same week last year. Total carloads for the week ending February 17, 2024 were 220,529 carloads, down 0.6 percent compared with the same week in 2023, while U.S. weekly intermodal volume was 253,697 containers and trailers, up 7.9 percent compared to 2023. Seven of the 10 carload commodity groups posted an increase compared with the same week in 2023. They included miscellaneous carloads, up 1,983 carloads, to 9,616; chemicals, up 1,543 carloads, to 33,899; and motor vehicles and parts, up 1,187 carloads, to 14,849. Commodity groups that posted decreases compared with the same week in 2023 were coal, down 7,122 carloads, to 59,534; nonmetallic minerals, down 652 carloads, to 27,126; and petroleum and petroleum products, down 122 carloads, to 9,467. Canadian railroads reported 92,737 carloads for the week, down 3.0 percent, and 70,767 intermodal units, up 5.0 percent compared with the same week in 2023. For the first seven weeks of 2024, Canadian railroads reported cumulative rail traffic volume of 1,069,472 carloads, containers and trailers, down 4.0 percent.

25. Railway carloadings, December 2023

Canadian railways transported 31.7 million tonnes of freight in December 2023, up 11.2% from December 2022. This was the second straight month of year-over-year growth and the largest increase in tonnage since January 2023. Non-intermodal freight loadings in Canada increased 10.2% from the same month in 2022, to reach 25.4 million tonnes in December 2023. Higher shipments of potash, iron ores and some energy products more than offset a continued decline in some agricultural and food products, notably grain. Intermodal freight loadings in Canada (mainly containers) increased 9.4% year over year to 2.8 million tonnes in December 2023. This marked the first increase since November 2022, following 12 straight months of year-over-year decreases. Finally, loadings from American railways have increased year over year for five straight months, up 21.0% to 3.5 million tonnes in December 2023. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." The total annual rail freight carried in Canada during 2023 was 375.1 million tonnes, up 2.4% from 2022 levels, with most gains in tonnage generated in the early part of the year.

26. UP Confirms \$3.4B Capex Program

At its 4Q/Full-Year 2023 earnings presentation, Union Pacific said it would invest \$3.4 billion in capital this year. On Feb. 21, 2024 UP confirmed its plan to support safe operations, renew assets, etc.

27. For HBRY, Port of Churchill, a \$C60MM Investment

The governments of Canada and Manitoba on Feb. 23, 2024 reported jointly investing up to C\$60 million to finish upgrading the Hudson Bay Railway (HBRY) and to start redeveloping the Port of Churchill.

28. Americold Kicks Off Collaboration With CPKC

Americold Realty Trust, Inc. (Americold) on Feb. 22 announced plans to develop its first facility through a strategic collaboration with Canadian Pacific Kansas City (CPKC), which will co-locate Americold warehouse facilities on the Class I’s network in Missouri.

29. Rail Vision sets new safety standards for Europe: Achieves regulatory approval and certificate for railway operation in the EU

Rail Vision Ltd. (the “Company”), a technology company at the forefront of revolutionizing railway safety and the data-related market, announced a significant advancement through the successful approval and compliance of its Main Line system for operation across the European Union (EU). This achievement, which was recently announced, sets a new standard in railway safety and opens the door for unprecedented growth and adoption of Rail Vision's cutting-edge technology in the expansive EU market. The Main Line system, Rail Vision's flagship innovation, has been officially approved and is now poised to redefine railway safety and operational efficiency throughout Europe. This state-of-the-art system offers unparalleled capabilities in detecting and identifying objects on and near tracks in real time, significantly reducing the risk of accidents and enhancing the overall safety of railway operations. With this approval, Rail Vision is set to accelerate the adoption of its Main Line system, showcasing the potential to dramatically improve railway safety standards across the EU. This milestone is a testament to Rail Vision's technological prowess and also aligns with the EU's commitment to enhancing transport safety and efficiency.

HIGHWAY TRANSPORTATION

1. Vancouver Community College buys Freightliner eCascadia to expand student training

Vancouver Community College (VCC) has acquired the all-electric Freightliner eCascadia to future-proof student training within the evolving landscape of electric transportation. The zero-emission semi will be used to train students in the Heavy Mechanical Trades Foundation program on the safety and repair of heavy-duty electric equipment, VCC said in a news release. “VCC is committed to ensuring learners are gaining the skills they need so that they can reach their educational and career goals and make a positive impact in their community,” said Ajay Patel, VCC president and CEO. “As we move to break ground on our new Centre for Clean Energy and Automotive Innovation in early 2024, the eCascadia is a well-timed addition to VCC’s Heavy Mechanical Trades program.”

2. Couriers and Messengers Services Price Index, December 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for December. The index for December 2023 is 135.8 compared to 136.6 for November 2023 and 134.1 for December 2022.

3. Roadrunner identifies Canada as ‘most sensible’ place to expand network

U.S. LTL firm Roadrunner is adding service to Canada as part of a 135-lane expansion announced on January 31, 2024. It will offer service to Toronto and Montreal, via Detroit, as part of its largest market expansion in five years. “This is yet another piece of our strategic plan to grow our Smart Network,” said Phil Thalheim, director of linehaul analytics at Roadrunner. “We constantly analyze our data to find out where it makes the most sense to add coverage. Both our algorithms and customers indicated that Canada was the next most sensible place for us to expand. We look forward to serving our neighbors to the north.”

4. Economic Trucking Trends: Spot rates pull back as severe winter weather fades

It was a quiet week for trucking economic news, with spot market rates pulling back due to milder weather, shippers continuing to enjoy falling diesel prices, and used truck prices reaching their weakest points since April 2021. Conditions improved for shippers in November, according to the latest FTR Shippers Conditions Index (SCI), which came in at a reading of 6.3. That reflects the most favorable conditions for shippers since last June. Thank lower fuel prices. And don’t get too comfortable.

5. We Want to Make Canadian Highways Safer. And We Need Your Help

Truck drivers move Canada’s economy, and their voices need to be heard when decision makers consider infrastructure improvements and highway safety. The calls to improve highway safety in Canada are getting increasingly louder and the Canadian Trucking Alliance wants to hear from drivers, as well as fleet operators and safety managers to get insights into the issues and challenges and feedback on what they believe the solutions should be. Whether it’s opinions on highway construction and poor road design, unsafe driving from other drivers, the lack of rest areas or cellular coverage in various parts of the country, we want to know your thoughts. CTA has launched a Canada Highway Safety Perceptions survey and is asking members fleets and the wide industry to circulate it to their drivers and encourage participation. The survey – accessed here – is accessible online and by smartphones in English and French. The survey requires no personal or corporate information to participate, and all results will be presented generically.

HIGHWAY TRANSPORTATION Canada

1. Vancouver Community College buys Freightliner eCascadia to expand student training, Jan. 30, 224, www.todaystrucking.ca
2. Couriers and Messengers Services Price Index, December 2023, January 31, 2024, www.statcan.gc.ca
3. Roadrunner identifies Canada as ‘most sensible’ place to expand network, January 31, 2024, www.todaystrucking.ca
4. Economic Trucking Trends: Spot rates pull back as severe winter weather fades, February 2, 2024, www.todaystrucking.ca
5. We Want to Make Canadian Highways Safer. And We Need Your Help, February 5, 2024, www.cantruck.ca
6. Transportation prices grow for first time in 19 months, survey says, February 6, 2024, www.freightwaves.com
7. B.C. fines carrier that hit Massey Tunnel roof \$2,371, Feb. 6, 2024, www.todaystrucking.com
8. UPS climbs most since 2022 as cost cuts spur UBS upgrade, February 6, 2024, www.ajot.com
9. Biden-Harris Administration Announces Availability of \$1.5 Billion in Federal Funding to Modernize Bus Fleets and Deploy Clean Transit Buses Across America, February 8, 2024, www.dot.gov
10. TransForce Boss: Drive Inc a “Disaster” for Trucking Industry, February 9, 2024, www.ontruck.ca
11. TFI International considers inviting other specialized TL players into spinout, February 9, 2024, www.todaystrucking.ca
12. Mack Trucks invests \$14.5M in Roanoke Valley Operations expansion, February 12, 2024, www.todaystrucking.ca
13. New Jersey intersection is top U.S. freight bottleneck for sixth year in a row, February 13, 2024, www.todaystrucking.ca
14. Ontario Banning Road Tolls, Freezing Driver’s Licence Fees to Keep Costs Down, February 15, 2024, www.mto.gov.on.ca; and OTA Supports Legislation to Ban Road Toll’s & Freeze License Fees, February 15, 2024, www.ontruck.ca
15. Opportunistic Mullen Group sees chance to add LTL density, February 15, 2025, www.todaystrucking.ca
16. Electric long haul trucking can be cheaper than diesel, February 16, 2024, www.insidelogistics.ca
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19. Urban public transit, December 2023, February 20, 2024, www.statcan.gc.ca
20. Ontario Government Delivering on Commitments to Get it Done, February 20, 2024, www.mto.gov.on.ca
21. Alberta providing \$2.8M to attract women to trucking, February 20, 2024, www.todaystrucking.ca
22. U.S. Department of Transportation Announces \$1.25 billion in Direct, Accessible

6. Transportation prices grow for first time in 19 months, survey says

Transportation prices flipped to expansion for the first time in 19 months as retailers increase inventories, a supply chain report said. The Logistics Managers' Index (LMI) was up 5 percentage points to 55.6 in January 2024 with all eight components of the index signalling growth. The LMI is a diffusion index in which a reading above 50 indicates expansion while one below 50 signals contraction. This index has been in expansion territory for five of the past six months. "This growth is driven by an increase in the restocking of inventories — especially for retailers — after a busy holiday season as Americans are clearly feeling better about the overall economy," the report said. An inflection in transportation prices was likely the biggest takeaway from the report.

7. B.C. fines carrier that hit Massey Tunnel roof \$2,371

B.C.'s Commercial Vehicle and Safety Enforcement (CVSE) agency last week fined a trucking company \$2,371 after one of its tractor-trailers hit the roof of the Massey Tunnel in the Greater Vancouver Area on Jan. 10, 2024. The driver was issued a violation ticket for failing to remain at the scene of a collision under Sec. 68(1) of the B.C. Motor Vehicle Act, according to an RCMP news release. The B.C. Ministry of Transportation and Infrastructure had immediately suspended the carrier – T S D Holdings – grounding all 20 vehicles in its fleet. Following an investigation, CVSE issued violation tickets to the carrier, and required it to submit an action plan for safe transport of oversized loads before lifting the suspension on Jan. 19, 2024. CVSE continues to monitor the carrier, the release said. On Jan. 10, Richmond RCMP responded to a report of a combination commercial vehicle and trailer collision with the roof area of the Massey Tunnel midspan. Evidence was discovered suggesting that the tunnel had sustained damage and needed to be immediately closed until a thorough structural assessment could be completed by the B.C. Ministry of Transportation and Infrastructure.

8. UPS climbs most since 2022 as cost cuts spur UBS upgrade

United Parcel Service Inc. rose the most in more than a year after UBS Group AG upgraded the courier to buy, predicting the company will continue to rein in expenses following its elimination of 12,000 management jobs. Analyst Thomas Wadewitz anticipates UPS' March 26 investor day will shed light on its plans to support margin expansion and earnings growth even amid muted revenue trends. UPS jumped 4.9% on February 6, 2024 in the biggest one-day gain since November 2022, adding more than \$5 billion to its market value. "We expect UPS to lay out two large levers for cost reduction including automation in buildings and rationalization of facilities that combined could support over \$2 billion of annual cost savings over the next several years," he wrote in a note to clients on February 5, 2024. After a disappointing earnings report last week, UPS said it would save more than \$1 billion by cutting 12,000 of its 85,000 management jobs. Wadewitz also sees potential for UPS to reduce headcount by 20,000 in its sorting and delivery stations through technologies like robotics, which he estimates would save the company roughly \$1.1 billion.

9. Biden-Harris Administration Announces Availability of \$1.5 Billion in Federal Funding to Modernize Bus Fleets and Deploy Clean Transit Buses Across America

The U.S. Department of Transportation's Federal Transit Administration (FTA) on February 8, 2024 announced the availability of approximately \$1.5 billion to support American transit vehicle manufacturing – including zero-emission buses – help build bus facilities, and promote workforce development. Historic investment in transit, made possible by President Biden's Bipartisan Infrastructure Law and as part of his Investing in America agenda, will help transit agencies replace aging buses, reduce air pollution, provide good-paying jobs, and improve the reliability of transit systems.

10. TransForce Boss: Drive Inc a "Disaster" for Trucking Industry

The head of Canada's largest trucking firm says rampant driver misclassification is harming compliant companies like his as well as drivers, a problem felt all the more acutely in lean economic times, reports Canadian Press. Alain Bédard, chairman and CEO of TFI International, is calling the phenomenon known as Driver Inc. a "disaster" for truck outfits because rule-breaking carriers who purposefully misclassify employee drivers and independent contractors while denying them legal labour entitlements gain a competitive advantage. Driver Inc. refers to the misclassification of workers as self-employed, which means the company does not pay benefits, basic labour protections and payroll taxes.

11. TFI International considers inviting other specialized TL players into spinout

Speaking on a Q4 earnings call with analysts, TFI International chairman and CEO Alain Bedard said the timing of the sale of its U.S. truckload van division, CFI, was "opportunistic" and allowed the company to pivot into a more desirable specialized truckload segment with its billion-dollar acquisition of Daseke. "We're big fans of tanks, big fans of flatbed and dump operations," Bedard said. "That is really our focus. Daseke is a perfect fit for us." TFI International held off offering guidance for 2024 as it integrates the flatdeck mega-fleet, which will likely not contribute to profits this year

Grants for Local Communities to Improve Roadway Safety, February 21, 2024, www.dot.gov

23. North American Transborder Freight down 0.1% in December 2023 from December 2022, February 22, 2023, www.bts.gov

24. Ministers Address Key Issues for the Trucking Industry, February 26, 2024, www.cantruck.ca

25. CTA Pre-Budget Spotlight – Border Investments Critical to Supply Chain Fluidity, February 26, 2024, www.ontruck.ca

but could add 50 cents a share in 2025. Flatdeck and tanker is in, when it comes to TFI International's U.S. truckload operations. Van and reefer is out.

12. Mack Trucks invests \$14.5M in Roanoke Valley Operations expansion

Mack Trucks is investing \$14.5 million to expand its Roanoke Valley Operations (RVO) manufacturing facility in Virginia to prepare the plant for higher demand for the Mack MD Series and Mack MD Electric vehicles. "Mack is committed to making the industrial and product investments we need to be a North American market leader," said Stephen Roy, global president of Mack Trucks. "The expansion of the RVO plant will help us grow in a strategic market segment and support our sustainability goals." Mack's investment will go toward equipment, tooling and a 72,000 square-foot building expansion, making the facility 352,000 square feet. Construction will begin in April 2024, and the expansion project is expected to be completed in Q4 2025.

13. New Jersey intersection is top U.S. freight bottleneck for sixth year in a row

For the sixth year in a row, the intersection of I-95 and SR 4 in Fort Lee, New Jersey is once again the Number 1 freight bottleneck in the U.S. The American Transportation Research Institute (ATRI) has released its 13th annual list highlighting the most congested bottlenecks for trucks in America. The 2024 Top Truck Bottleneck List measures the level of truck-involved congestion at more than 325 locations on the national highway system. The bottleneck locations detailed in this latest ATRI list represent the top 100 congested locations, although ATRI continuously monitors more than 325 freight-critical locations.

14. Ontario Banning Road Tolls, Freezing Driver's Licence Fees to Keep Costs Down

The Ontario government is keeping costs down for drivers by introducing legislation that would, if passed, ban tolls on provincial highways. This ban would apply to the Don Valley Parkway and Gardiner Expressway once uploaded to the province, as well as the province's 400-series highways. "Our government under the leadership of Premier Ford is on a mission to keep costs down for families and businesses," said Prabmeet Sarkaria, Minister of Transportation. "First, we scrapped the tolls on Highways 412 and 418, now we're protecting drivers from the costs of new tolls. Together with our cut in the gas tax and eliminating the licence plate sticker fee, we're saving drivers hundreds of dollars every year." To further keep costs down for people, the province is also proposing to make the [current freeze on driver's licence and Ontario Photo Card fees](#) permanent through legislation, saving drivers an estimated \$66 million over the next five years. By legislating the current freeze, which was originally put in place through regulation and which has saved applicants \$22 million since 2019, the government is ensuring that any future increases can only be made through legislation. Stephen Laskowski, President & CEO of the OTA said "Roads are an investment in the supply chain. The trucking industry – through provincial and federal fuel taxes, federal carbon taxes, provincial registration and permit fees – is already contributing a major portion of the revenues the province of Ontario invests in road infrastructure. The trucking industry greatly appreciates this legislation, which is a recognition that all road users, including the commercial trucking industry, already pay their fair share of road investment."

15. Opportunistic Mullen Group sees chance to add LTL density

Mullen Group's Q4 revenue edged down less than 1% year over year to \$498.6 million, as incremental revenue from acquisitions helped offset lower fuel surcharge revenue and soft freight and logistics demand. Net income fell 52.2% to \$32.1 million, but largely due to a \$29.3 million gain on sale of property, plant and equipment that Mullen enjoyed in Q4 2022. It improved its operating margins from 15.4% to 15.9%. "Results for the fourth quarter were consistent with our previously released Dec. 11 update, although demand was light in all four segments as the year came to a close," chairman and senior executive officer Murray Mullen said in a release. "Basically, we lost a week's worth of revenue due to the timing of the holiday schedule. In addition, we accelerated the restructuring of the B.&R. Eckel's group, acquired earlier in 2023, resulting in one-time restructuring charges of approximately \$2.9 million in the quarter." Looking ahead to 2024, Mullen said he's more optimistic about business conditions than he was a year ago.

16. Electric long haul trucking can be cheaper than diesel

In the past, it was considered unprofitable to electrify heavy goods vehicles that transport cargo over long distances. But now researchers at Chalmers University of Technology in Sweden have shown that it can be cheaper to run heavy goods vehicles on electricity than on diesel. "I myself am surprised by the results and hope that more haulage companies and heavy goods vehicle manufacturers will be willing to invest in electrification now that we have shown that it can be cost-effective," says Johannes Karlsson, Doctoral student in Automatic Control Engineering at Chalmers.

17. THRC Report Points to Lowest Unemployment in Trucking this Year

Trucking HR Canada's (THRC) quarterly Labour Market Information (LMI) snapshot shows a lower unemployment rate among truck drivers, indicating a smaller pool of potential job applicants and a continued rebound across the supply chain. Some highlights of the report, include: 1. Employment of transport truck drivers increased over the course of 2023, averaging 317,300 drivers. Unemployment of truck drivers peaked in April 2023, reaching 6.5%, but dropped

over the last three quarters of the year, settling at 3.5% in December 2023. 2. Between Q3 2022 and Q3 2023, the number of vacant driver position decreased by 6,765 positions and the occupational vacancy rate is estimated to have decreased from 8% to 5%. This could signal an easing of the labour market for truck drivers.

18. Economic Trucking Trends: Signs of freight market stabilization emerge in January

With data in from the first month of 2024, it appears signs of market stabilization are emerging. The boost in spot market freight volumes and rates is largely attributable to poor weather that drove demand, so February 2024 data will be telling as to the sustainability of the move. ACT Research has upped its Class 8 sales and build forecast for the year. And Motive notes carrier exits are slowing as new entrants join at a faster rate. The first month of the year was a good one for those who toil in the Canadian spot market. Loadlink Technologies reported loads surged 47% in January 2024, marking the highest volumes seen since March 2023. Truck postings nudged up 4% from December 2023, bringing the truck-to-load ratio to 2.61, a 29% improvement since December and better than any month in the back half of 2023. The gains were led by a 110% jump in cross-border loads into Canada. Southbound loads were up 12% while domestic freight jumped 20%.

19. Urban public transit, December 2023

In December 2023, urban transit ridership in Canada reached 123.4 million trips, recovering more than 80% of its December 2019 level, pre-COVID-19 pandemic. In 2023, there were roughly 1.5 billion total passenger trips taken, up from the 1.2 billion trips recorded in 2022 but representing 77.4% of the 2019 total. Canada's transit agencies provided 123.4 million passenger trips in December 2023, up 17.1% (+18.0 million trips) compared with the same month in 2022. Although growth has been steady, volumes continue to lag pre-pandemic levels, as there were almost 30 million fewer passenger trips in December 2023 compared with December 2019. In December 2023, transit agency operating revenue (excluding subsidies) was up 25.5% (+\$64.1 million) from the same month in 2022 but was \$23.4 million below the December 2019 revenue.

20. Ontario Government Delivering on Commitments to Get it Done

On February 20, 2024, the Ontario government introduced legislation that, if passed, would make it easier and faster to build transit, housing and other critical infrastructure. *The Get It Done Act* would also help people keep more of their hard-earned money by banning new tolls on provincial highways and give them a veto over any future provincial carbon tax.

21. Alberta providing \$2.8M to attract women to trucking

To help address the driver shortage in Alberta, the provincial government allocated \$2.8 million over the next two years to help Women Building Futures (WBF) program provide necessary training and connections to attract more women to the industry. In 2022-2023, the province committed \$40 million over four years to provide commercial driver training grants to unemployed and underemployed Albertans. "Our province is stronger when more women are in the driver's seat, and through funding like this, we can help women gain meaningful employment," said Tanya Fir, minister of arts, culture and status of women, in a press release. Of the \$2.8-million grant to WBF, \$1.3 will be allocated in 2023-2024, and the rest of the funds between 2024 and 2025. Currently, women represent only 2.9% of commercial truckers in Alberta, which is below the national rate of 4%. There are approximately 4,260 transport truck driver job vacancies in the province.

22. U.S. Department of Transportation Announces \$1.25 billion in Direct, Accessible Grants for Local Communities to Improve Roadway Safety

On February 21, 2024, the U.S. Department of Transportation (DOT) opened the process for cities, towns, counties, Tribal governments and Metropolitan Planning Organizations (MPO) to apply for \$1.256 billion in funding for local projects that improve roadway safety. The funds are from the competitive grant program, Safe Streets and Roads for All (SS4A), which was created in President Biden's Bipartisan Infrastructure Law to help communities both plan and carry out projects that help reduce the number of deaths and serious injuries on our highways, streets, and roads. The SS4A grant program is a major action that supports funding to advance the DOT's National Roadway Safety Strategy, which launched in 2022 to address the high number of traffic deaths happening across the country.

23. North American Transborder Freight down 0.1% in December 2023 from December 2022

Total transborder freight by border in December 2023, compared to December 2022 for transborder freight between the U.S. and North American countries Canada and Mexico is as follows: 1. Total transborder freight: \$121.6 billion of transborder freight moved by all modes of transportation, down 0.1% compared to December 2022; 2. Freight between the U.S. and Canada: \$61.1 billion, up 0.7% from December 2022; 3. Freight between the U.S. and Mexico: \$60.4 billion, down 0.9% from December 2022; 4. Trucks moved \$73.2 billion of freight, down 0.9% compared to December 2022; 5. Railways moved \$16.4 billion of freight, up 2.6% compared to December 2022; 6. Vessels moved \$11.0 billion of freight, up 7.0% compared to December 2022; 7. Pipelines moved \$9.1 billion of freight, down 10.3% compared to December 2022; 8. Air moved \$4.6 billion of freight, down 10.3% compared to December 2022. Total transborder

freight between US and Canada is as follows: 1. Truck \$32.1b.; Rail \$9.2b; 3. Pipeline \$8.6b; 4. Air \$2.9b; and 5. Vessel \$2.9b.

24. Ministers Address Key Issues for the Trucking Industry

The Canadian Trucking Alliance (CTA) received a news release from the federal transport minister, minister of infrastructure for the northwest territories and the Council of Ministers Responsible for Transportation and Highway Safety stating that supply chain investments are a top priority and that the overall safety and environmental fitness of the sector needs continued improvement. “The ministers have acknowledged that supporting the transportation industry, including road transportation and its infrastructure, is critical to a strong Canadian economy. This is a positive development towards overall economic growth and investment in the trucking sector,” said CTA President Stephen Laskowski.

25. CTA Pre-Budget Spotlight – Border Investments Critical to Supply Chain Fluidity

As part of its extensive pre-budget submission to the Government of Canada earlier this month, the Canadian Trucking Alliance (CTA) highlighted the need to invest in border infrastructure, technology and staffing, which are needed to meet the needs of the rapidly evolving, 24/7 supply chain. Some of the items outlined by CTA to support greater cross-border supply chain fluidity include both long-standing and emerging issues impacting many fleets in our sector: 1. Border Staffing; 2. Secure Corridor Pilot; 3. Permanent In-Transit Program; 4. Sufferance Warehouse Funding and Modernization; 5. Addressing Delays in Food/Agriculture Inspections; and 6. IT Infrastructure.

GENERAL TRANSPORTATION

Canada

1. Over 75 percent of logistics leaders can’t find the workers they need

More than 75 percent of supply chain and logistics leaders are experiencing notable workforce shortages in their operations. New survey research also found that 37 percent of respondents would characterize the resource shortage as high to extreme. The study, “How Bad Is the Supply Chain and Logistics Workforce Challenge?”, produced by Descartes, showed the issue is affecting companies’ financial, peak season and logistics partner performance, and is taking a toll on customer service performance, with 58 percent specifying that workforce shortages have negatively impacted service levels.

2. C.H. Robinson’s Q4 sees little improvement; shift at top of brokerage unit

There was little good news in the fourth quarter earnings of C.H. Robinson. Any rebound in the fiscal performance at 3PL giant C.H. Robinson looks to be a ways off. Earnings for the fourth quarter of 2023, released on January 31, 2024, had little good news, whether the comparison was with the fourth quarter a year earlier or sequentially from the third quarter, when the company named its still relatively new CEO and President David Bozeman. Income from operations came in at \$107.4 million, down 34.5% from a year earlier. But that key figure also was down from the third quarter number of \$113.5 million. Down the line, the comparisons were all negative. That they were worse than the fourth quarter of 2022 was not a surprise, but Bozeman cited several statistics regarding C.H. Robinson’s fourth-quarter performance, as well as the normal seasonal changes between the third and fourth quarter reflected in Cass data, to show that sequentially the company’s performance showed signs of improvement.

3. Almost 20,000 manufacturing jobs unfilled in Ontario

Ontario manufacturers continue to face acute workforce needs with 18,900 jobs currently unfilled, over 7,000 confirmed new manufacturing jobs about to open up and significant retirements expected between now and 2028. Breaking this down by region, the Greater Toronto Area, Kitchener-Waterloo and the Hamilton-Niagara region are facing the largest number of vacancies and are expected to face even more

GENERAL TRANSPORTATION

Canada

1. Over 75 percent of logistics leaders can’t find the workers they need, January 31, 2024, www.insidelogistics.ca
2. C.H. Robinson’s Q4 sees little improvement; shift at top of brokerage unit, January 31, 2024, www.freightwaves.com
3. Almost 20,000 manufacturing jobs unfilled in Ontario, February 1, 2024, www.insidelogistics.ca
4. January 2024 U.S. Transportation Sector Unemployment (4.7%) Was the Same As the January 2023 Level (4.7%) And Above the Pre-Pandemic January 2019 Level (4.0%), February 2, 2024, www.bts.gov
5. Canada reinforcing trade ties with US in advance of presidential election, February 5, 2024, www.insidelogistics.ca
6. Biden-Harris Administration Announces Nearly \$110 Million in Relief Funding to Help Public Transportation Providers Recover from Natural Disasters, February 5, 2024, www.dot.gov
7. 2024 Compass report: leader survey highlights, February 7, 2024, www.westac.ca
8. Canadian international merchandise trade, December 2023, Feb. 7, 2024, www.statcan.gc.ca
9. December 2023 Freight Transportation Services Index (TSI) Up 0.9% from the Previous Month and Up 1.8% from the Same Month Last Year, February 7, 2024, www.bts.gov
10. Alberta’s Premier Smith sees US LNG export pause as opportunity, February 9, 2024, www.ajot.com
11. Canadian Transportation Agency recognized as one of the National Capital Region’s top employers for 2024, February 9, 2024, www.cta-otc.gc.ca
12. Leading indicator of international arrivals to Canada, January 2024, February 12, 2024, www.statcan.gc.ca
13. Manufacturing growth not predicted until 2025, February 15, 2024, www.insidelogistics.ca
14. Traffic Flow Dashboard, February 15, 2024, www.statcan.gc.ca
15. ITF member countries create support mechanism for rebuilding Ukraine’s transport links, February 16,

pressure as new manufacturing jobs, especially in the auto and electric vehicle sector, are about to come available, according to data from Statistics Canada and analysis by Canadian Manufacturers & Exporters. These vacancies underscores the most pressing challenge facing manufacturers today.

2024, www.itf-oecd.org

16. Warehousing costs continue to climb, study finds, February 20, 2024, www.insidelogistics.ca

17. Travel between Canada and other countries, December 2023, Feb. 24, 2024, www.statcan.gc.ca

4. January 2024 U.S. Transportation Sector Unemployment (4.7%) Was the Same As the January 2023 Level (4.7%) And Above the Pre-Pandemic January 2019 Level (4.0%)

The unemployment rate in the U.S. transportation sector was 4.7% (not seasonally adjusted) in January 2024 according to Bureau of Labor Statistics (BLS). These data have been updated on the Bureau of Transportation Statistics' (BTS) [Unemployment in Transportation](#) dashboard. In January 2024, the transportation sector unemployment rate remained unchanged from 4.7% in January 2023 and was above the pre-pandemic January 2019 level of 4.0%. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020.

5. Canada reinforcing trade ties with US in advance of presidential election

Canada's trade minister, Mary Ng, went to Washington, DC, last week to reinforce the importance of the Canada-US trade relationship. Ng, whose full title is minister of export promotion, international trade and economic development, met with industry and business leaders in the US capital to discuss ongoing Canada-U.S. collaboration. The talks covered areas of mutual interest, including cross-border supply chains, manufacturing, research and labour. The visit was part of the Team Canada strategy on engagement with the United States, which is co-led by Minister Ng and François-Philippe Champagne, minister of innovation, science and industry, with the collaboration of Kirsten Hillman, Canada's ambassador to the United States.

6. Biden-Harris Administration Announces Nearly \$110 Million in Relief Funding to Help Public Transportation Providers Recover from Natural Disasters

On February 5, 2024, the U.S. Department of Transportation's Federal Transit Administration (FTA) announced nearly \$110 million in funding to eight public transportation providers and state Departments of Transportation in six states and one U.S. territory to help communities recover from recent natural disasters. The support, provided through FTA's Public Transportation Emergency Relief (ER) Program, will help agencies repair damaged equipment and facilities and recoup costs for evacuation and rescue operations following floods, hurricanes, and tornadoes that occurred in 2017 and 2020-22.

7. 2024 Compass report: leader survey highlights

The 2024 Compass Report analyzes the business and transportation outlook of executives and leaders in business, labour and government across Canada's transportation industry. This year's findings reveal a landscape pressured by economic and geopolitical uncertainties, manifesting in several key challenges. Survey respondents identified their top five current business challenges as economic slowdown, inflation, labour shortages, geopolitical instability, and supply chain resilience/sustainability. These challenges are exacerbated by a generally pessimistic business outlook, with only 20% maintaining an optimistic view for 2024—the lowest level since the inception of the Compass Survey in 2017. Over half (52%) of respondents perceive a deterioration in the business investment climate. They attribute this largely to regulatory hurdles, high costs and government policies, particularly those related to climate change and social issues. Many leaders (57%) rated the regulatory environment as poor, with concerns centred on restrictive regulations and long approval processes.

8. Canadian international merchandise trade, December 2023

In December 2023, Canada's merchandise exports decreased 1.9%, while imports edged up 0.2%. As a result, Canada's merchandise trade balance went from a surplus of \$1.1 billion in November to a deficit of \$312 million in December 2023, the first monthly trade deficit since July 2023. The December deficit is close to the typical bounds for monthly revisions to imports and exports.

9. December 2023 Freight Transportation Services Index (TSI) Up 0.9% from the Previous Month and Up 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, rose 0.9% in December 2023 from November 2023, rising for the first month after a one month decline, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From December 2022 to December 2023 the index rose 1.8%

10. Alberta's Premier Smith sees US LNG export pause as opportunity

President Joe Biden's decision to pause approval of new liquefied natural gas export licenses is an opportunity for Canada as the country prepares to start exporting the fuel, Alberta's premier said. "I note, with interest, that the Americans may be pausing on their LNG export," Danielle Smith, head of the country's fossil fuel-producing heartland, said on Bloomberg TV. "I look at that as an opportunity for us. If we can be an additional supplier to the world of this

vitaly important energy source that's also lower emissions, and lower polluting, I think we have a role to play." After years of delays, Canada's first LNG export plant is scheduled to start operation as early as 2025, shipping as much as 14 million metric tons annually from British Columbia to Asia. A number of additional projects off the Pacific Coast are at various levels of development and more than a dozen have been proposed over the years.

11. Canadian Transportation Agency recognized as one of the National Capital Region's top employers for 2024

The Canadian Transportation Agency (CTA) has been named as one of the National Capital Region's Top Employers for 2024. This special designation recognizes employers in the Ottawa-Gatineau area that are leaders in providing exceptional places to work. It identifies the CTA as an organization that offers competitive benefits, professional development opportunities, and a supportive workplace culture.

12. Leading indicator of international arrivals to Canada, January 2024

In January 2024, the preliminary number of international arrivals to Canada by air and automobile increased 10.6% from January 2023. By air, the number of non-resident arrivals in Canada totalled 431,400 in January 2024, up 13.8% year over year. Meanwhile, the number of Canadian-resident return trips from abroad reached 1.9 million, a 12.3% increase from January 2023. By automobile, US residents took 573,400 trips to Canada in January 2024, up 1.4% from the same month in 2023. The number of Canadian-resident return trips from the United States also rose, up 11.5% year over year to 1.6 million trips in January 2024.

13. Traffic Flow Dashboard

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

14. Manufacturing growth not predicted until 2025

Despite a tough year ahead for most regions and territories in 2024, growth will return in 2025 for many sectors. In line with Interact Analysis's previous update to its Manufacturing Industry Output (MIO) Tracker, the company's latest forecasts show the lowest point in the manufacturing cycle for many regions and sectors is expected to occur this year. Despite this, key regions such as the US and Germany will shrink half as much in 2024 as they did at the height of the COVID-19 pandemic. In contrast with most industry sectors, the semiconductor segment is expected to have a much better 2024, following a difficult year in 2023.

15. ITF member countries create support mechanism for rebuilding Ukraine's transport links

The governments of ITF member countries Canada, Lithuania, Sweden and Ukraine have created a new mechanism to help Ukraine rebuild its war-ravaged transport systems and develop new international trade links. The ITF Secretariat will co-ordinate activities and provide analytical input. Ukraine's Deputy Prime Minister for Restoration, Oleksandr Kubrakov; Sweden's Minister of Infrastructure, Andreas Carlson; Lithuania's Minister of Transport and Communication, Marius Skuodis; Canada's Minister of Transport Pablo Rodriguez and ITF Secretary-General Young Tae Kim officially launched the mechanism during a visit to Ukraine's capital, Kyiv, on 15 December 2023

16. Warehousing costs continue to climb, study finds

Warehouse costs have been rising steadily since the beginning of 2022 across North America, Europe and Northeast Asia. Transport Intelligence has formulated its warehouse cost index, which tracks overall warehousing costs in North America, Europe, and North-East Asia. The index takes inputs from warehousing rent, labour, and energy costs to determine the current state of overall warehousing costs, as well as estimate the future direction of costs. According to the index, warehouse costs have been rising steadily since Q1 2022 across the board and increased in all three major regions into Q3 2023. Costs remain elevated across all three major regions in comparison with Q3 2022.

17. Travel between Canada and other countries, December 2023

In December 2023, the number of non-resident visitors to Canada accounted for 91.0% of the number observed in December 2019, before the COVID-19 pandemic. Meanwhile, the number of returning Canadian residents reached 87.7% of the level recorded in December 2019. Residents of overseas countries took 469,400 trips to Canada in December 2023, and US residents took 1.5 million trips. In the same month, Canadian residents returned from 3.8 million trips abroad. In December 2023, US residents took 1.5 million trips to Canada, up 24.9% from the 1.2 million trips taken in December 2022 and reaching 89.8% of trips taken during the same month in 2019 (1.7 million).