

Transportation Information Update*

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

Editor: Joseph Monteiro*

January 2024, 233

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air cargo industry faced stress test in 2023

The air cargo industry faced difficult conditions in 2023. Airlines and forwarders cut head counts and assets to save money. Some CEOs lost their jobs. The air cargo industry underwent a serious stress test in 2023 as collapsing market demand and rates dragged down revenues, forcing many all-cargo carriers to scale back operations, postpone aircraft investments and tighten budgets, before a late resurgence in volumes lifted offered hope for a better 2024. The course correction from 2021, when airfreight business skyrocketed to record highs as businesses looked for ways to overcome broken supply chains during the pandemic, began in early 2022 and didn't stabilize until the fall. Airfreight wasn't a priority for retailers because they had built up too much inventory on the misguided notion that online purchases would continue to explode while the reintroduction of more passenger flights saturated the market with belly capacity. Many of the year's main developments in air cargo were colored by the severe drop in profit margins, with some industry stakeholders withstanding the squeeze better than others.

2. Air cargo tonnages in Q4 2023 closing at 3pc YoY: WorldACD

With 2023 coming to an end, global tonnages and average air cargo rates follow the typical end-of-year slowing down pattern, after weeks of stabilising especially outbound China, according to the latest figures from WorldACD Market Data. As global tonnages for December 2023 are expected to land at +5% Year-on-Year (YoY), Q4 will be the first quarter of 2023 showing positive growth (+3%) compared to last year, coming from Q1 at -11%, Q2 at -8% and Q3 at -3%, YoY, despite all uncertainties in the last months. This means that global tonnages for the full year 2023 end up being -5% lower than in 2022. While the first half of 2023 was still at -9%, the second half was characterised by an improving YoY performance for each consecutive month and closing at flat YoY growth.

3. Winnipeg airport to get \$19-million cargo upgrade

A construction project that will boost cargo capacity at Winnipeg Richardson International Airport is getting up to \$19.4 million in funding from the National Trade Corridors Fund. The construction of a new storage facility will include space for cold storage and perishable goods and will increase the airport's overall cargo capacity for both imports and exports as well as improving accessibility of goods for remote and Northern communities. The project involves apron expansion; relocating current tenants; site preparation; demolishing vacant buildings; constructing the air cargo facility; and, performing associated civil work. The airport saw 4,700-plus cargo planes land in 2022.

4. Airline stocks head for first annual gain since before the pandemic

US airline stocks weathered a domestic travel slowdown and geopolitical turmoil to notch their first yearly gain since 2019, capping a hard-fought rebound from when the pandemic grounded aircraft and pummeled the in-

AIR TRANSPORTATION Canada

1. Air cargo industry faced stress test in 2023, December 28, 2023, www.airwaves.com
2. Air cargo tonnages in Q4 2023 closing at 3pc YoY: WorldACD, December 29, 2023, www.cargonews.com
3. Winnipeg airport to get \$19-million cargo upgrade, Dec 29, 2023, www.insidelogistics.ca
4. Airline stocks head for first annual gain since before the pandemic, December 29, 2023, www.ajot.com
5. Air Canada ranked last in 2023 for on-time performance among 10 largest North American airlines, January 2, 2024, www.nationalpost.ca
6. 2023 by the Numbers: More Flights, Fewer Cancellations, More Consumer Protections, January 3, 2023, www.dot.gov
7. Air cargo set for a positive 2024, Jan. 4, 2023, www.iata.org
8. Air cargo enters 2024 with cautious optimism after December demand and rates boost, January 3, 2023, www.ajot.com
9. Cargojet and Canadian North renew cargo deal, January 4, 2024, www.insidelogistics.ca
10. Air Transat reaches new agreement with flight attendants' union, January 9, 2024, www.globeandmail.ca
11. December 2023 U.S. Transportation Sector Unemployment (4.3%) Falls Below the December 2022 Level (4.5%) But Remains Above the Pre-Pandemic December 2019 Level (2.8%), January 5, 2024, www.bts.gov
12. Air Travel Consumer Report: October 2023 Numbers, January 5, 2023, www.dot.gov
13. Boeing Max grounding goes global as carriers follow FAA order, January 7, 2024, www.ajot.com
14. Air Canada Reports Strong Operational Performance for the Holiday Travel Period, January 8, 2024, www.aircanada.ca
15. Air Cargo Demand Up 8.3% in November, January 9, 2024, www.iata.org
16. Airlines are taking steps to reduce contrails to help cut emissions from aviation, January 10, 2024, www.globeandmail.ca
17. Air Travel Reaches 99% of 2019 Levels as Recovery Continues in November, January 10, 2024, www.iata.org
18. Screened passenger traffic at Canadian airports, November 2023, January 10, 2024, www.statcan.gc.ca
19. Airline ticket price wars coming to Canada as competition heats up, Financial Post January 9, 2024, www.nationalpost.ca

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

dustry. The S&P Supercomposite Airlines Industry Index advanced 7.1% this year, its best annual performance since rising 12% four years ago. SkyWest Inc. leads the nine-member gauge with a 217% surge, followed by 20% pops from Delta Air Lines Inc. and Allegiant Travel Co. The swing back to positive performance reflects consumers' persistent demand for experiences despite the looming threats that elevated interest rates would rein in discretionary spending and conflict in the Middle East would exacerbate oil volatility. Record holiday travel has helped to brighten the financial outlook for the industry, with Delta, JetBlue Airways Corp. and Southwest Airlines Co. all making note of strong year-end bookings. "Valuations are rising recently as investors look past fare weakness to lower fuel prices which could provide the ability to cut fares and support demand with minimal or no impact on profit," says Bloomberg Intelligence analyst George Ferguson.

5. Air Canada ranked last in 2023 for on-time performance among 10 largest North American airlines

Air Canada notched the worst on-time performance among large airlines in North America in 2023, according to a new report, even as the carrier surged back to profitability. The country's biggest carrier landed 63 per cent of its flights on time last year, placing it last among the continent's 10 largest airlines. That means roughly 140,000 planes rolled up to the gate late — more than 15 minutes after scheduled arrival. The score was five percentage points below the second- and third-lowest carriers, JetBlue Airways and Frontier Airlines, respectively. Canada's other major airline, WestJet, placed seventh in North America with a score of 69 per cent. "When I joined the industry, good OTP was 75 per cent-plus," said Willy Boulter, a Cirium advisory board member and 35-year aviation veteran. Targets have gone up since. Delta Air Lines came first with an on-time performance (OTP) of 85 per cent, followed by Alaska Airlines at 82 per cent. Better technology in areas ranging from jet engines to air traffic control have made on-time goals more achievable than ever, said Boulter.

6. 2023 by the Numbers: More Flights, Fewer Cancellations, More Consumer Protections

U.S. aviation ended 2023 on a better note for passengers with the lowest flight cancellation rate in at least 10 years, alongside expanded consumer protections for travelers. "Thanks to the tireless work of our nation's aviation safety professionals, millions of travelers were able to fly safely and without disruption last year," said *Transportation Secretary Pete Buttigieg*. "We are glad to see this 10-year low rate of cancellations, and our Department will continue to take every step to ensure air travel is smooth and safe for passengers in the new year." In 2023, there were 16.3 million flights and a cancellation rate below 1.2 percent, the *lowest rate in a decade*. According to the Transportation Security Administration, 2023 was also the busiest year for air travel ever. Travel around Christmas and New Year's was notably smooth. From Sunday, Dec. 17, 2023, to Monday, January 1, 2024, the cancellation rate was just 0.8 percent despite a record number of passengers flying during the busy holiday season. The cancellation rate during that same period in 2022 was 8.2 percent.

7. Air cargo set for a positive 2024

All regions are expected to experience air cargo growth in 2024, according to IATA. The Middle East is set for the biggest rise at 12.3% while Africa will see a more modest 1.5% growth. On average, air cargo is forecast to grow 4.5%. "Yields will likely decline in 2024 but they will still be above their 2019 levels," says Rachel Yuting Fan, IATA Sustainability and Economics. "Cargo revenue will also be about 11% above 2019 and comprise 12% of total industry revenue. In other words, 2024 will see sustained revenue growth and the sector outperform pre-pandemic levels." The relevant economic markers are also positive with 3.5% growth in global trade projected for 2024. Broadly, belly capacity is back and will carry the

20. Achieving 5% carbon reduction by 2030, January 10, 2024, www.iata.org
21. Minister of Transport announces airport improvements in Whitehorse, January 12, 2024, www.tc.gc.ca
22. Minister of Transport announces funding to increase cargo volume capacity and efficiency at the Vancouver International Airport, January 11, 2024, www.tc.gc.ca; and Vancouver airport getting \$74 million to increase cargo capacity, January 12, 2024, www.insidelogistics.ca
23. U.S. Airlines' November 2023 Fuel Cost per Gallon Down 3.4% from October 2023; Aviation Fuel Consumption Up 4.1% from Pre-Pandemic November 2019, January 12, 2024, www.bts.gov
24. Cargojet pulls back on aircraft acquisitions, January 15, 2024, www.insidelogistics.ca
25. Porter's inaugural flight between Toronto and Los Angeles takes off, January 16, 2024, www.flyporter.ca
26. Third Quarter 2023 Average Air Fare Decreases 6.9% from Second Quarter 2023, January 16, 2024, www.bts.gov
27. U.S. Cargo and Passenger Airlines Gained 1,809 Jobs in November 2023; Employment Remains 8.8% Above Pre-Pandemic November 2019, Jan. 17, 2024, www.bts.gov
28. JetBlue's \$3.8 billion Spirit deal turns into a nightmare, January 17, 2024, www.ajot.com
29. Porter Airlines CEO sees potential path to IPO within five years, January 18, 2024, www.ajot.com
30. IATA & ICAO Extend Cooperation on Standards for Dangerous Goods Shipments, January 22, 2024, www.iata.org
31. Preparing for Asia-Pacific's resurgence, January 22, 2024, www.iata.org
32. JetBlue, Spirit appeal ruling blocking \$3.8 billion merger, January 21, 2024, www.ajot.com
33. Soaring to New Heights: Manulife and Aeroplan Partner to Give Millions of Canadians Access to Rewards in New, First-of-its-Kind Canadian Partnership, January 23, 2024, www.aircanada.ca
34. Air Canada Honoured as a Top Employer for Young People in Canada 2024, January 24, 2023, www.aircanada.ca
35. TD and Air Canada celebrate the 10th anniversary of Aeroplan partnership with a compilation of the top travel trends, January 24, 2023, www.aircanada.ca
36. Porter celebrates first flight between Toronto and San Francisco, January 25, 2024, www.flyporter.ca
37. Flair Airlines agrees to pay \$67-million in unpaid taxes after court order, January 27, 2024, www.globeandmail.ca
38. Screened passenger traffic at Canadian airports, December 2023, January 29, 2024, www.statcan.gc.ca

majority of air cargo while freighters have disappeared entirely. Dedicated freighters will maintain their usual share of the market. Other beneficial factors include the continued growth of e-commerce, the reduction in delivery times, and the robust performance of high-value specialized products, such as pharmaceuticals, which seem resilient to the industry's usual volatility. Possible downsides include China's supply chain and currency fluctuations. Overall: 1. Cargo revenues are expected to fall to \$111 billion in 2024. 2. Yields will remain high by historical standards, despite falling in 2023 and 2024. Yield progression has been extraordinary in recent years (-8.2% in 2019, +54.7% in 2020, +25.9% in 2021, +7% in 2022, -32.2% in 2023). 3. Cargo volumes are expected to reach 61 million tonnes in 2024.

8. Air cargo enters 2024 with cautious optimism after December demand and rates boost

2024 may herald the start of a new economic growth cycle for the global air cargo industry after last year ended with a +9% year-on-year rise in demand and the general air cargo spot rate reached its highest level in nine months, suggests the latest weekly market data analysis by Xeneta. While the geopolitical environment and cost of living pressures continue to present significant hurdles to global trade, the predictability of air cargo means the industry stands to benefit from escalating international disruption, albeit producing only modest gains in volumes, says Niall van de Wouw, Xeneta's Chief Airfreight Officer. He said: "To say 2024 is a 'new dawn' is perhaps a little too optimistic, but I certainly think it's the start of a new cycle for airlines and forwarders – and shippers are likely to also appreciate the stability returning to the market so they can more accurately predict the transportation costs for the products they are selling." Weekly market data for December shows the global average air cargo spot rate peaking at USD 2.60 per kg, up +6% on its November 2023 level, boosted by a +9% annual growth in demand. The general air cargo spot rate, however, continued to record a double-digit year-on-year fall of -18%. This compares to a growth ratio of -25% in November 2023 compared to the previous year.

9. Cargojet and Canadian North renew cargo deal

Cargojet and Canadian North have renewed their 20-year-long cargo partnership for another five years. The renewed partnership signifies a major increase in cargo capacity. This expansion will enable more frequent and efficient deliveries, ensuring that remote and northern communities in Canada's Arctic have reliable access to essential supplies. Under the renewed partnership, Cargojet will be the exclusive provider for air cargo from Winnipeg and Ottawa to Iqaluit, while Canadian North will continue to deliver air cargo across Canada's Arctic. This builds upon Canadian North's recent announcement to double the size of its cargo facility in Ottawa by 2026. Every year, Cargojet assists Canadian North in flying over 10.6 million kilograms of cargo, which is equivalent to approximately 1,000 polar bears.

10. Air Transat reaches new agreement with flight attendants' union

A union representing 2,100 flight attendants has reached an agreement over a new labour contract with Canadian leisure carrier Air Transat, the Canadian Union of Public Employees (CUPE) said on January 8, 2024, easing fears of a strike that could have crippled the carrier's operations. General meetings of the members will be held in the next few days to disclose the content of the agreement and present it for their vote, CUPE said in a statement. Air Transat did not immediately respond to Reuters request for comment. Earlier this month, the flight attendants rejected a tentative agreement with the airline, mainly because the deal did not offer pay raises in keeping with higher living costs, CUPE had said.

11. December 2023 U.S. Transportation Sector Unemployment (4.3%) Falls below the December 2022 Level (4.5%) But Remains Above the Pre-Pandemic December 2019 Level (2.8%)

The unemployment rate in the U.S. transportation sector was 4.3% (not seasonally adjusted) in December 2023 according to Bureau of Labor Statistics (BLS). These data have been updated on the Bureau of Transportation Statistics' (BTS) Unemployment in Transportation dashboard. In December 2023, the transportation sector unemployment rate fell 0.2 percentage points from 4.5% in December 2022 but was above the pre-pandemic December 2019 level of 2.8%. Unemployment in the transportation sector reached its highest level during the COVID-19 pandemic (15.7%) in May 2020 and July 2020. Unemployment in the transportation sector was higher than overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in December 2023 was 3.5% or 0.8 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in December 2023 was 3.7%.

12. Air Travel Consumer Report: October 2023 Numbers

On January 5, 2024, the U.S. Department of Transportation (DOT) released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of October 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. For the first 10 months of 2023, 1.5% of flights were canceled, far below the 2.6% cancellation rate for the first 10 months of 2022 and the 2.1% cancellation rate for the first 10 months of pre-pandemic 2019. The 633,349 flights operated in October 2023 were 107.27% of the 590,444 flights operated in October 2022. Operated flights in October 2023 were up 7.27% year-over-year from the 590,444 flights operated in October 2022 and up 6.05% month-over-month from 597,223 flights operated in September 2023. In October 2023,

reporting marketing carriers posted an on-time arrival rate of 84.1%, up from both 80.3% in September 2023 and from 83.4% in October 2022. The year-to-date on-time arrival rate for 2023 is 77.0%. In October 2023, reporting marketing carriers canceled 0.3% of their scheduled domestic flights, lower than the rate of 1.2% in both September 2023 and 0.8% in October 2022. The year-to-date cancellation rate for 2023 is 1.5%. In October 2023, airlines reported six tarmac delays of more than three hours on domestic flights, compared to 57 tarmac delays of more than three hours on domestic flights reported in September 2023. In October 2023, reporting marketing carriers handled 41.0 million bags and posted a mishandled baggage rate of 0.44%, lower than both the rate of 0.53% in September 2023 and the rate of 0.49% in October 2022.

13. Boeing Max grounding goes global as carriers follow FAA order

The grounding of Boeing Co.'s 737 Max 9 quickly gathered pace, with carriers from the US to Panama to Turkey pulling the model from service for inspections after a fuselage section on a brand-new Alaska Airlines jet blew out during flight. After Alaska Air kept its fleet of 65 737 Max 9s on the ground following the incident on Jan. 5, 2024 United Airlines Holdings Inc., the model's top operator, followed suit with some jets. Then the Federal Aviation Administration ordered a temporary grounding of 171 planes, accelerating the response among other airlines. Aeromexico took all of its Max 9s out of service, and Panama's Copa Airlines did the same with most of its jets. The cascading grounding marks the most severe response since Boeing's entire fleet of Max aircraft was parked in 2019 following two deadly crashes. The 737 Max is by far the company's most popular aircraft and its biggest source of revenue. The blowout puts the focus back on Boeing's manufacturing controls just as it was gearing up to raise output of its cash-cow model and turn the corner on past defects. "We are very fortunate this didn't end up in something more tragic," Jennifer Homendy, the head of the National Transportation Safety Board, said at a press conference in Portland, Oregon, on Saturday. "We've now determined based on our definition of substantial damage that this is an accident, not an incident." Only two US airlines operate the 737 Max 9 variant: United with 79, and Alaska Air with its 65. Alaska said late Saturday (January 6, 2024) it was again removing 18 737 Max 9s that it had already returned to service based on recent maintenance, and said it would wait for details of additional work required by the FAA. The company wasn't sure what else would be needed before adding the planes back to its fleet, and said it expects travel disruptions to last through mid-week.

14. Air Canada Reports Strong Operational Performance for the Holiday Travel Period

Air Canada on January 8, 2024 reported a strong operational performance for the year-end holiday travel period, during which nearly 2.6 million customers were transported safely. The airline achieved some of its best operational results in a decade, including completing 98 per cent of scheduled flights, with an on-time performance of 70 per cent. Craig Landry, Executive Vice President and Chief Operations Officer at Air Canada said "We thank our customers for entrusting their travel to Air Canada and I am proud that we delivered on our promise to transport them safely and conveniently. Over the holidays we carried about 2.6 million customers on more than 20,000 flights, with an on-time performance of 70 per cent. Our success was the result of extensive advance preparations and the hard work of our people, helped by moderate winter weather. With a clear focus on our customers and on improving the stability and resilience of our operation, we have implemented a range of initiatives to ensure we continue to improve our operational performance into 2024 and beyond."

15. Air Cargo Demand Up 8.3% in November

The International Air Transport Association (IATA) released data for November 2023 global air cargo markets indicating the strongest year-on-year growth in roughly two years. This is partly due to weakness in November 2022, but also reflects a fourth consecutive month of strengthening demand for air cargo. Global demand for air cargo, measured in cargo tonne-kilometres (CTKs), increased by 8.3% compared to November 2022. For international operations, demand growth was 8.1%. Capacity, measured in available cargo tonne-kilometres (ACTKs), was up 13.7% compared to November 2022 (+11.6% for international operations). Most of the capacity growth continues to be attributable to the increase in belly capacity as international passenger markets continue their post-COVID recovery. Compared to November 2019 (pre-COVID-19), demand is down 2.5% while capacity is up 4.1%.

16. Airlines are taking steps to reduce contrails to help cut emissions from aviation

The American Airlines jet roared out of the Belize airport and climbed through the tropical skies on its way to Dallas. The Boeing 737 levelled out at 32,000 feet – below the typical altitude – before ascending to a higher-than-usual 38,000 feet. It was an unusual route, but this was not a typical flight. The deviations allowed the aircraft to avoid leaving cloud-like vapour streams known as contrails, a small step in reducing the major impact aviation has on climate change. Contrails are white trails formed by the condensation of water vapor emitted by an aircraft engine at very high altitude.

17. Air Travel Reaches 99% of 2019 Levels as Recovery Continues in November

The International Air Transport Association (IATA) released data for November 2023 air travel performance indicating that air travel demand topped 99% of 2019 levels. *Total traffic* in November 2023 (measured in revenue passenger kilometers or RPKs) rose 29.7% compared to November 2022. Globally, traffic is now at 99.1% of November 2019

levels. *International traffic* rose 26.4% versus November 2022. The Asia-Pacific region continued to report the strongest year-over-year results (+63.8%) with all regions showing improvement compared to the prior year. November 2023 international RPKs reached 94.5% of November 2019 levels. *Domestic traffic* for November 2023 was up 34.8% compared to November 2022. Total November 2023 domestic traffic was 6.7% above the November 2019 level. Growth was particularly strong in China (+272%) as it recovered from the COVID travel restrictions that were still in place a year ago. US domestic travel, benefitting from strong Thanksgiving holidays demand, reached a new high, expanding +9.1% over November 2019. “We are moving ever closer to surpassing the 2019 peak year for air travel. Economic headwinds are not deterring people from taking to the skies. International travel remains 5.5% below pre-pandemic levels but that gap is rapidly closing. And domestic markets have been above their pre-pandemic levels continuously since April,” said Willie Walsh, IATA’s Director General.

18. Screened passenger traffic at Canadian airports, November 2023

In November 2023, 4.1 million passengers passed through pre-board security screening at checkpoints operated at Canada’s eight largest airports, an increase of 10.9% from November 2022. With November 2023 traffic slightly above (+0.7%) the same month in 2019, this marked the fifth consecutive month in which total passengers exceeded pre-COVID-19 pandemic volumes. In November 2023, the recovery of screened passenger volumes at Canada’s eight largest airports has been uneven across travel sectors. Domestic screened traffic grew 2.7% year over year to 1.8 million passengers. However, while domestic travel was the first to recover from pandemic lows, passenger volumes in November 2023 were 2.7% below those in November 2019, ending a stretch of six months when volumes surpassed pre-pandemic levels. In November 2023, other international traffic (outside the United States) was up sharply year over year (+20.7%). The 1.2 million passengers screened for international flights were 10.1% higher than during the same period in 2019. Meanwhile, transborder traffic with the United States showed a 15.5% increase from November 2022; however, this sector has yet to reach 2019 levels of passenger traffic.

19. Airline ticket price wars coming to Canada as competition heats up

Calgary air travellers could “be laughing all the way to the bank” for the first six months of 2024 amid major price competition in the Canadian airline market, experts say. But that relief could be short-lived, with experts predicting those fare wars will result in one airline failing to make it to the end of 2024. Exiting a year in which WestJet left much of Eastern Canada to plant its stake in Calgary and Western Canada — and with Porter Airlines teeing up a major service expansion — the Calgary-Toronto corridor stands to be one of the most competitive in Canada for the first two quarters of the year, Gradek said. “The price wars in Canada are going to be something we haven’t seen in years.”

20. Achieving 5% carbon reduction by 2030

Two major global events have provided the context for aviation’s decarbonization efforts. In late December 2023 in Dubai, the United Nations Climate Change Conference (COP28) agreed to “transition away from fossil fuels in energy systems.” UN Climate Change Executive Secretary Simon Stiell said that while “we didn’t turn the page on the fossil fuel era in Dubai, this outcome is the beginning of the end.” AAF/3) hosted by the International Civil Aviation Organization (ICAO) was an important step forward for the industry as it agreed a global framework to promote sustainable aviation fuels (SAF) production in all geographies. The agreement calls for fuels used in international aviation to be 5% less carbon intensive by 2030. At this point, at current rates, CO2 emissions for international aviation are expected to reach 682 million tonnes, meaning SAF and low carbon aviation fuel (LCAF) need to abate some 34 million tons of CO2. To achieve this requires about 17.5 billion liters or 14 million tonnes of SAF to be produced. Airlines’ desire to buy SAF at this quantity is already there. Forty-three airlines have nearly \$50 billion of voluntary agreements in place that equate to approximately 13 million tonnes and that will doubtless increase. The demand for SAF is so strong that they added \$756 million to a record high fuel bill in 2023.

21. Minister of Transport announces airport improvements in Whitehorse

On January 12, 2024, the Minister of Transport, Pablo Rodriguez, announced an investment of up to \$186.2 million under the National Trade Corridors Fund for a project that includes major upgrades at the Erik Nielsen Whitehorse International Airport. The airport infrastructure requires improvements to maintain existing essential services such as passenger and charter flights, as well as cargo handling activities. The project consists of four main improvements: 1. upgrading the parallel runway; 2. reconstructing the main runway; 3. replacing the Whitehorse air maintenance facility, and 4. building a new rotary operations (helicopter) area. In addition to upgrading the airport’s critical infrastructure, the project aims to enhance safety measures and increase operational capacity to better support Yukon’s mining and tourism sectors. The project will also work to increase the airport’s resilience against the impacts of climate change.

22. Minister of Transport announces funding to increase cargo volume capacity and efficiency at the Vancouver International Airport

On January 11, 2023, the Minister of Transport, Pablo Rodriguez, announced an investment of up to \$74.3 million under the National Trade Corridors Fund for an expansion at the Vancouver International Airport. This will equip the airport to handle more cargo, as well as improve its facilities and efficiency, and reduce pollution. This project will

enable the movement of larger aircraft between cargo facilities and the runway. It will: 1. increase parking space capacity to accommodate four additional widebody freighter aircraft; 2. upgrade an access road; and 3. prepare the site for the construction of a new air cargo warehouse. This project will also support business growth of Canadian carriers, including Air Canada, WestJet and Cargojet. It is estimated that the project will reduce truck travel by up to 229 million kilometres over 30 years because local exporters will not need to transport their products to an airport further away. This will improve highway safety and reduce GHG emissions.

23. U.S. Airlines' November 2023 Fuel Cost per Gallon Down 3.4% from October 2023; Aviation Fuel Consumption Up 4.1% from Pre-Pandemic November 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on January 12, 2024 released U.S. airlines' November 2023 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.504 billion gallons of fuel, 5.4% less fuel than in October 2023 (1.589 billion gallons) and 4.1% more than in pre-pandemic November 2019. The cost per gallon of fuel in November 2023 (\$3.01) was down 11 cents (3.4%) from October 2023 (\$3.12) and up \$1.02 (51.5%) from November 2019. Total November 2023 fuel expenditure (\$4.53B) was down 8.6% from October 2023 (\$4.96B) and up 57.8% from pre-pandemic November 2019. Year-over-year changes in fuel consumption and cost for November 2023 include 5.4% increase in domestic fuel consumption, 4.6% decrease in domestic fuel cost, and 9.4% decrease in cost per gallon. Domestic fuel consumption decreased 5.2% from October 2023 to November 2023, while increasing 3.2% from November 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

24. Cargojet pulls back on aircraft acquisitions

A soft cargo market has prompted Cargojet to revisit its fleet plans through 2025. The carrier is getting out of commitments to buy four Boeing 777 freighters, as well as looking to either sell or lease four Boeing 767 freighters it already owns. "Forecasts continue to indicate that the international air cargo market will remain soft in the short to medium term and deploying B-777s into the market would not be strategically prudent. We have decided to exit our commitments for the four remaining B-777 aircraft, while continuing to flex our B-767 fleet to accommodate our organic growth strategy," said Ajay Virmani, Cargojet's executive chairman. "Cargojet has substantially completed the operational groundwork to be able to enter the B-777 market should economic conditions change. Cargojet has also retained the rights to provide the optionality for future conversion slots." The measures are designed to hold the line on capital expenditures in order to "deliver strong cashflows and shareholder value," said Pauline Dhillon, co-chief executive officer.

25. Porter's inaugural flight between Toronto and Los Angeles takes off

Porter Airlines is celebrating the start of daily roundtrip service between Toronto Pearson International Airport (YYZ) and Los Angeles International Airport (LAX) on January 16, 2024, fostering greater connectivity and cultural exchange between the two vibrant cities. Operating aboard the state-of-the-art Embraer E195-E2 aircraft, this route offers a 132-seat, all-economy configuration with a comfortable two-by-two layout, which means no middle seats for any passenger.

26. Third Quarter 2023 Average Air Fare Decreases 6.9% from Second Quarter 2023

The average U.S. domestic air fare decreased in the third quarter of 2023 to \$368, down 6.9% from the second quarter 2023 inflation-adjusted fare of \$395. Passenger demand decreased in the third quarter to 86.6 million passengers, down from 88.8 million passengers in the second quarter.

27. U.S. Cargo and Passenger Airlines Gained 1,809 Jobs in November 2023; Employment Remains 8.8% above Pre-Pandemic November 2019

U.S. airline industry (passenger and cargo airlines combined) employment increased to 814,190 workers in November 2023, 1,809 (0.22%) more workers than in October 2023 (812,381) and 66,047 (8.83%) more than in pre-pandemic November 2019 (748,143). U.S. scheduled-service passenger airlines employed 535,914 workers in November 2023 or 66% of the industry-wide total. Passenger airlines added 529 employees in November 2023 for a thirty-first consecutive month of job growth dating back to May 2021. United Air Lines led scheduled passenger carriers, adding 429 employees; Southwest added 309, and Envoy Air added 114. U.S. cargo airlines employed 273,573 workers in November 2023, 34% of the industry total. Cargo carriers gained 1,333 employees in November. FedEx, the leading air cargo employer, increased employment by 1,600 jobs.

28. JetBlue's \$3.8 billion Spirit deal turns into a nightmare

It was supposed to be the merger from heaven — or at least, from 30,000 feet. But now, the collapse of the \$3.8 billion deal between JetBlue Airways Corp. and Spirit Airlines Inc. over antitrust concerns leaves the two carriers adrift, upending the low-cost travel sector and tarnishing the legacy of JetBlue's swashbuckling CEO as he heads for the exits. A federal judge's decision to scuttle the buyout means JetBlue will continue to be relegated to second-tier status behind the industry's big four carriers — United Airlines Holdings Inc., American Airlines Group Inc., Delta Air Lines Inc. and Southwest Airlines Co. — which wield unmatched pricing power and command vastly bigger fleets. It also leaves incoming JetBlue Chief Executive Officer Joanna Geraghty, who takes over next month, to pick up the pieces. "It

leaves JetBlue in a very challenging position,” said Samuel Engel, a senior vice president at ICF and former head of the consultant’s aviation group. For Spirit, the consequences appear dire. Its shares were cut in half on January 16, 2024 in their worst loss ever, and they were down another 18% in premarket trading on January 17, 2024. A buyout had represented a lifeline for the beleaguered carrier, which analysts from Melius Research and TD Cowen said may now face the prospect of a bankruptcy filing.

29. Porter Airlines CEO sees potential path to IPO within five years

The top executive of Canada’s Porter Airlines said he sees “a future potential path” to an initial public offering within five years, a move that would revive earlier ambitions of listing on public markets. “I don’t think it’s a next year, or this year, type item,” Chief Executive Officer Michael Deluce said on January 18, 2024 in an interview at Bloomberg’s Toronto bureau. “It could be in the two- to five-year range.” Deluce’s comments come nearly 14 years after Porter Airlines tested the waters for an IPO before pulling back on the plans. Porter sought to raise about C\$120 million from a stock sale in May 2010 to expand operations and buy more turboprop planes, but scrapped the effort weeks later amid a slump in Canada’s stock market. The privately owned airline is expanding, seeking to fill a void left by WestJet Airlines’ decision to pull back in Eastern Canada. It’s adding dozens of Embraer E195-E2 aircraft, launching new North American routes, and even developing a new terminal at an existing airport in suburban Montreal.

30. IATA & ICAO Extend Cooperation on Standards for Dangerous Goods Shipments

The International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO) have extended their long-standing cooperation on setting and implementing global standards for the safe carriage of dangerous goods by air. An agreement to this effect was concluded at the IATA Executive Offices in Geneva during a visit by ICAO Secretary General Juan Carlos Salazar during which greater collaboration between the two organizations was discussed. IATA began issuing guidance for the carriage of Dangerous Goods on aircraft back in 1956 and has been updating and devising standards ever since.

31. Preparing for Asia-Pacific’s resurgence

Globally, up to November 2023, aviation had reached approximately 99% of pre-pandemic traffic levels. Asia-Pacific—the last of the regions to embrace the recovery—achieved 93% of 2019 traffic levels thanks to the reopening of major markets in China, Japan, and Korea. “In the context of the previous three years it was a positive 12 months for the region,” says Philip Goh, IATA’s RVP for Asia-Pacific. “But international traffic was at 83% of the 2019 level in November 2023 so we continue to lag the other regions. “China’s opening was a surprise and greatly benefited Asia-Pacific as it can comprise 30% of some countries’ international traffic,” he explains. “But that opening is not yet fully realized. Group travel, which is a big element of Chinese travel, only really started again in the second half of 2023.”

32. JetBlue, Spirit appeal ruling blocking \$3.8 billion merger

JetBlue Airways Corp. and Spirit Airlines Inc. said they’re appealing a federal judge’s ruling blocking their planned \$3.8 billion merger in a last-ditch effort to save a deal that many analysts believe is dead. The carriers filed the one-sentence notice of appeal in court Friday, January 19, 2024 that didn’t specify reasons for the move. Earlier, the airlines said US District Judge William G. Young erred in concluding on Jan. 16, 2024 that the merger will lead to higher ticket prices or fewer choices for customers. Spirit had previously said the deal was still in effect as it explores ways to shore up its liquidity. Spirit shares jumped as much 17% in after hour trading, while JetBlue fell as much as 2.2%. JetBlue needs Spirit’s 200 aircraft and about 3,000 pilots at a time when both are in short supply across the industry. Without them, JetBlue has limited growth opportunities and will continue to be relegated to second-tier status behind the big four carriers. But Spirit’s financial situation and operations have declined since the deal was struck, reducing its value for a buyer. Analysts have speculated that a standalone Spirit may be forced into bankruptcy. “It is clear to us that Spirit is pressing JetBlue to appeal the antitrust ruling, but we continue to believe the chances of success are low,” Savanthi Syth, a Raymond James analyst, said in a note Friday.

33. Soaring to New Heights: Manulife and Aeroplan Partner to Give Millions of Canadians Access to Rewards in New, First-of-its-Kind Canadian Partnership

Manulife, one of Canada’s leading insurance providers, and Aeroplan, Canada’s premier travel loyalty program, are excited to announce a new, multi-year loyalty partnership. Through this first-of-its-kind agreement in Canada, the millions of Canadians who are eligible Manulife Group Benefits members will have the ability to earn Aeroplan points by engaging in behaviours and activities that encourage health and wellbeing. This spring, Manulife will launch a modernized and upgraded benefits platform to offer members a digital-first user experience that integrates health, wellness and benefits into one place. With the addition of Aeroplan in early summer 2024, eligible Group Benefits members will be able to earn points for health and benefits-related activities, all while managing their overall wellbeing – from prevention to getting care – through an integrated and personalized experience. By engaging in health and wellness challenges, members will have the opportunity to earn points for completing healthy initiatives, like exercise minutes, mindfulness practices, and more. In addition, points will be rewarded for completion of educational courses and helpful benefits tips and tricks, like downloading the digital benefit card.

34. Air Canada Honoured as a Top Employer for Young People in Canada 2024

Air Canada is proud to announce that it has been recognized as one of the top employers for young people in Canada in 2024, the first time the airline has received this recognition. This honour, awarded by Mediacorp Canada Inc., celebrates the nation's leading organizations for their commitment to developing and nurturing young professionals, through innovative and forward-thinking programs for young workers, including mentorship, training, career opportunities, and social responsibility.

35. TD and Air Canada celebrate the 10th anniversary of Aeroplan partnership with a compilation of the top travel trends

Toronto-Dominion Bank is celebrating a 10-year milestone as the primary credit card issuer for Aeroplan, Canada's Top Airline Loyalty Program. The first TD Aeroplan credit cards were issued in January 2014, and have provided more than 1 million Canadians with accelerated Aeroplan point-earning potential, Air Canada travel benefits and flexible redemption options ever since: 1. TD Aeroplan credit cardholders have travelled to over 1,800 destinations worldwide with Air Canada and 45+ partner; 2. Aeroplan members earned over 300 billion Aeroplan points on TD Aeroplan credit cards; and 3. TD Aeroplan credit cardholders have redeemed more than 6 million rewards. They're redeeming not just on flight rewards for big destinations, but also for short-haul flights for as few as 6,000 points, car rentals, hotels, everyday purchases like Starbucks rewards and more.

36. Porter celebrates first flight between Toronto and San Francisco

Porter Airlines on January 25, 2024 launched daily, roundtrip service between Toronto Pearson International Airport (YYZ) and San Francisco International Airport (SFO). Passengers travelling between Toronto and the Bay Area will begin their trip enjoying Porter's famous style, care, and charm. Porter's elevated economy experience includes complimentary beer, wine, and premium snacks for all passengers. The brand new, 132-seat Embraer E195-E2 operating the route has a two-by-two configuration, which means there are no middle seats on any Porter flight.

37. Flair Airlines agrees to pay \$67-million in unpaid taxes after court order

The federal government has obtained a court order that allows it to direct the seizure and sale of Flair Airlines Ltd. property in Alberta to recoup more than \$67-million in unpaid taxes. Flair incurred the taxes from the import of 20 Boeing 737 Max aircraft, and has made arrangements to pay the amount owed, said Ashley Fields, a spokeswoman for the airline. The ruling was issued by the Federal Court of Canada on Nov. 23, 2023 months after a leasing company repossessed four of Flair's aircraft for missed rent payments. Court documents obtained by *The Globe and Mail* certify that the Edmonton-based discount airline owes the Canada Revenue Agency \$67,174,123.37, plus penalties, interest and other fees. "We have a mutually-agreed-upon payment plan with CRA to pay these importation duties, and we are current with that plan," Ms. Fields said in an e-mail on Saturday, January 27, 2024.

38. Screened passenger traffic at Canadian airports, December 2023

In December 2023, 4.5 million passengers passed through pre-board security screening at checkpoints operated at Canada's eight largest airports, an increase of 8.9% compared with the number of passengers during the challenging holiday travel period of December 2022. However, December 2023 traffic was 3.5% below the same month in 2019, ending a five-month run in which total passengers had surpassed pre-COVID-19 pandemic volumes.

WATER TRANSPORTATION

1. Port of NY/NJ volumes down from last year but up from 2019

November volumes at the Port of New York and New Jersey were down year-over-year but up from November 2019. November cargo volumes at the Port of New York and New Jersey were 7.5% higher than pre-COVID November 2019 but down 11% year over year and 13.2% from October. The East Coast seaport moved 644,439 twenty-foot equivalent units in November 2023, the port authority said Wednesday, compared with 723,069 TEUs in November 2022. The port authority also noted that October was the port's busiest month for 2023 as retailers were preparing for the holiday shopping season. Year-to-date volumes for loaded containers were over 4.8 million TEUs in November, which puts the port on the path as "the nation's second busiest for loaded containers handled year-to-date," it said. Total year-to-date volumes were nearly 7.2 million TEUs through November, which is 4.2% higher than the same period in 2019.

2. QSL to operate wharves at Thorold, Ontario

QSL has partnered with the St. Lawrence Seaway Management Corporation (SLSMC) and Hamilton-Oshawa Port Authority (HOPA

WATER TRANSPORTATION Canada

1. Port of NY/NJ volumes down from last year but up from 2019, December 28, 2023, www.freightwaves.com
2. QSL to operate wharves at Thorold, Ontario, December 29, 2023, www.insidelogistics.ca
3. Maersk temporarily pauses Red Sea routings after new attacks, Dec. 31, 2023, www.joc.com
4. Saving the Panama Canal will take years and cost billions, if it's even possible, January 2, 2024, www.ajot.com
5. Ocean rates spike as Red Sea diversions continue, January 3, 2023, www.ajot.com
6. West Coast shipping rates surge as Red Sea fallout goes global, January 4, 2024, www.freightwaves.com
7. East Coast port powered by 100 percent clean energy, January 4, 2024, www.ajot.com
8. Minister of Transport announces modernized vessel construction and equipment

Ports) to operate SLSMC's Wharves 5 and 6. Fifty-five acres of combined SLSMC and HOPA land will be used for cargo handling and storage in Thorold, Ontario, with access to the Welland Canal. The Niagara Region, on the doorstep of the Greater Toronto Hamilton Area, is connected to Class-1 North American rail lines, and offers direct access to ports around the world through the Welland Canal and Great Lakes Seaway system. QSL operates a network of marine terminals in North America.

3. Maersk temporarily pauses Red Sea routings after new attacks

Maersk on December 31, 2023 said it would pause any further transits through the Red Sea for at least 48 hours after one of its container ships was attacked twice within 24 hours by Houthi rebels who do not appear deterred by the presence of a multinational naval force meant to restore security in the region. The second attack against the Maersk Hangzhou this weekend represented an escalation in hostilities as Houthis used small boats to get within 65 feet of the 14,000-TEU vessel in an attempt to board the ship, which Maersk said was not damaged by missiles fired by the Houthi. As a result of this diversion, ocean carriers are pushing up rates and adding surcharges as ships get diverted from the Suez Canal to the longer transit around southern Africa.

4. Saving the Panama Canal will take years and cost billions, if it's even possible

The Panama Canal Authority is weighing potential fixes that include an artificial lake to pump water into the canal and cloud seeding to boost rainfall, but both options would take years to implement, if they're even feasible. With water levels languishing at six feet (1.8 meters) below normal, the canal authority capped the number of vessels that can cross. The limits imposed late last year were the strictest since 1989, when the conduit was shut as the US invaded Panama to extract its de facto ruler, Manuel Noriega. Some shippers are paying millions of dollars to jump the growing queue, while others are taking longer, costlier routes around Africa or South America. The constraints have since eased slightly due to a rainier-than-expected November, but at 24 ships a day, the maximum is still well below the pre-drought daily capacity of about 38. As the dry season takes hold, the bottleneck is poised to worsen again. "As a canal, as a country, we need to take some measures because it isn't acceptable," Erick Córdoba, the manager of the water division at the canal authority, said in an interview. "We need to calibrate the system again." The canal's travails reflect how climate change is altering global trade flows. Drought created chokepoints last year on the Mississippi River in the US and the Rhine in Europe. In the UK, rising sea levels are elevating the risk of flooding along the Thames. Melting ice is creating new shipping routes in the Arctic. Under normal circumstances, the Panama Canal handles about 3% of global maritime trade volumes and 46% of containers moving from Northeast Asia to the US East Coast. The channel is Panama's biggest source of revenue, bringing in \$4.3 billion in 2022. To allow for 24 vessels a day through the dry season, the canal will release water from Lake Alajuela, a secondary reservoir. If the rains begin to pick up in May 2024, the canal might be able to start increasing traffic, according to Córdoba.

5. Ocean rates spike as Red Sea diversions continue

Key insights: 1. The international naval presence in the Red Sea has not deterred Houthi attacks, which continued into the new year. 2. Maersk – which had started returning some vessels to the Red Sea last week – has suspended all its transits again following a missile attack and attempted hijacking of one of its ships on Saturday. 3. International tensions are

regulations, January 3, 2024, www.tc.gc.ca

9. Davie Shipyard suing Ottawa to prevent any disclosure of shipbuilding strategy deal, January 8, 2024, www.nationalpost.ca

10. HAPAG-LLOYD (Canada) joins Westac as the council's first container carrier, January 2, 2024, www.westac.ca

11. Carriers quoting trans-Pac rates of \$5,000/FEU on Suez-linked equipment imbalances, January 5, 2024, www.joc.com

12. Houthis launch barrage of missiles, drones in new Red Sea attack, January 9, 2024, www.ajot.com

13. Federal funding for six projects meant to clear bottlenecks, January 10, 2023, www.insidelogistics.ca

14. Maersk opts for rail crossing on a north-south service to bypass Panama Canal, January 10, 2024, www.joc.com

15. LA's Seroka says ports of LA & Long Beach increased market share in 2023, January 10, 2024, www.ajot.com

16. Drewry World Container Index - 11 Jan, January 11, 2024, www.ajot.com

17. Cost to jump Panama Canal line just got a whole lot cheaper, January 14, 2024, www.ajot.com

18. Container lines 'scramble' to rent more ships amid Red Sea crisis, January 15, 2024, www.freightwaves.com

19. Remote and autonomous ship operations driving the future of marine data management, January 15, 2024, www.ajot.com

20. Port of Los Angeles finishes 2023 with five months of year-over-year growth, January 16, 2024, www.ajot.com

21. Exports increased at the Port of New York and New Jersey in November, January 16, 2024, www.ajot.com

22. Carrix integrates Ceres Terminals into SSA Marine, January 16, 2024, www.ajot.com

23. The Government of Canada announces projects to remove abandoned boats from Canadian waters, January 16, 2024, www.tc.gc.ca

24. Sugar refinery to open at Hamilton port, January 18, 2024, www.insidelogistics.ca

25. Maersk and Hapag-Loyd form new partnership, January 17, 2024, www.insidelogistics.ca

26. Port of Prince Rupert handles 23.5 million tonnes of cargo in 2023, a 5 percent annual decline, January 18, 2024, www.rupertport.ca

27. Container rates soar as Red Sea chaos worsens capacity crunch, January 18, 2024, www.ajot.com

28. Port of Corpus Christi customers moved record tonnage through Waterway in 2023, surpassing 200M tons for first time Jan 18, 2024, January 18, 2024, www.ajot.com

29. European wheat shipments are bypassing the Suez Canal, January 21, 2024, www.ajot.com

30. Fuel tanker rates are soaring on Red Sea disruption, January 22, 2024, www.ajot.com

31. Shipping sector must seize solutions to reduce underwater noise pollution, January 22, 2024, www.ajot.com

32. Port of New Orleans gets \$226M for international container terminal, January 23,

mounting as US forces sunk the attacking Houthi vessels, killing their crews. The UK has announced plans to attack Houthi positions in Yemen if the attacks continue, and Iran has moved a warship into the area. 4. The diversions are resulting in longer transit times for shippers, and could lead to port congestion and empty container shortages, though no backlogs have been reported yet. 5. Higher costs from longer trips are also sending ocean rates spiking: Asia - N. Europe rates more than doubled to above \$4,000/FEU this week, with Asia - Mediterranean prices climbing to \$5,175/FEU. Some carriers have announced rates above \$6k/FEU for Mediterranean shipments starting mid-month, and surcharges of \$500 to as much as \$2,700 per container could make all-in prices even higher. 6. Asia - N. America rates climbed 55% to \$3,900/FEU to the East Coast. West Coast prices climbed 63% to more than \$2,700/FEU as carriers may be anticipating an increase in West Coast volumes to avoid Red Sea-related issues. 7. But even at \$5,000 - \$8,000/FEU, Asia - N. Europe and Mediterranean prices would be 45% - 65% lower than their \$14k/FEU pandemic peak in late 2021, and 65% - 75% lower compared to the Asia - N. America East Coast peak of \$22k/FEU.

6. West Coast shipping rates surge as Red Sea fallout goes global

As Red Sea disruptions intensify, container shipping spot rates are rising on the other side of the globe: for cargo shipped from Asia to the U.S. West Coast. The Red Sea crisis coincides with drought restrictions in the Panama Canal. Asian cargo bound for East and Gulf Coast ports had previously been switched from Panama to the Suez Canal, and is now being rerouted on even longer voyages around the Cape of Good Hope. The much shorter route from Asia to the West Coast is looking increasingly attractive. At 14 knots, a direct voyage from Shanghai to New York via the Cape of Good Hope takes 43 days, according to Sea-Distances.org. Shanghai-Los Angeles spot rates spike 30%. A direct voyage from Shanghai to Los Angeles takes only 17 days (plus additional time for cross-country land transport). The question now is how long Panama and the Red Sea disruptions will persist, giving new strength to Asia-West Coast spot rates. Annual trans-Pacific contracts generally run from May 1-April 30 and are negotiated in February-April. If trans-Pacific spot rates are supported for months, not weeks, disruptions could push annual contract rates higher.

7. East Coast port powered by 100 percent clean energy

On January 4, 2024, the Port of Virginia is powering all its terminals with electricity from clean resources and accelerating its goal to becoming carbon-neutral by 2040. "Virginia is the first major US East Coast port to power its entire operation using 100 percent clean electricity," said Stephen A. Edwards, CEO and executive director of the Virginia Port Authority (VPA). "In doing so, the port is building upon its reputation as America's Most Modern Gateway." "Our cargo operations and overall performance are world-class, and we are advancing sustainability goals that are aligned with how we operate. This is a modern approach to meeting our environmental targets and we are setting ourselves apart as a result." Using clean electricity helps the port offset its carbon footprint by reducing carbon emissions 45 percent per container. The reduction comes in two target areas, scope 1 and 2 emissions. Scope 1 are emissions – exhaust -- from equipment and scope 2 are the emissions generated from the electricity used to power and charge electric equipment as well as supplying port buildings with lighting, heating, air conditioning, etc. This milestone demonstrates the port's commitment to supporting sustainability in Virginia. And, the accomplishment puts the port eight years ahead of its original 2032 goal of using clean energy to power operations, an integral step in reaching its net-zero by 2040 commitment. "The Port of Virginia has long been a leader in innovation and growth," said Glenn Davis, director of the Virginia Department of Energy. "It has continued that leadership into the energy sector by powering its entire port operation with 100 percent clean energy."

8. Minister of Transport announces modernized vessel construction and equipment regulations

On January 3, 2024, the Minister of Transport, Pablo Rodriguez, announced that the new Vessel Construction and Equipment Regulations, which apply to the construction and equipment of new vessels 24 metres or more in length (excluding fishing vessels and pleasure craft), have come into force. The regulations update and consolidate requirements that previously existed in various regulations under the Canada Shipping Act, 2001, and the Canada Labour Code, into one set of regulations and add penalties for non-compliance. The regulations are wide-ranging, setting updated requirements with respect to structural strength, stability, machinery, electrical systems, lifesaving equipment, and crew accommodations, as well as fire protection on vessels without mechanical means of propulsion. They also notably include a requirement for passenger vessels to carry enough infant-sized and child-sized lifejackets to guarantee that each person on board has access to an appropriately sized lifejacket, addressing safety considerations raised by the Transportation Safety Board of Canada. Lifejackets on board passenger vessels that operate on overnight voyages will also need to be equipped with locator lights. Additionally, these new streamlined and modernized

2024, www.joc.com

33. Zim launches its own Asia-Western Canada express service, January 23, 2024, www.joc.com

34. Conciliators appointed in BC ports negotiations, January 24, 2024, www.insidelogistics.ca

35. Intermodal service opens between Hamilton and Montreal, January 23, 2024, www.insidelogistics.ca

36. Port Saint John celebrates completion of West Side Modernization Project, January 25, 2024, www.ajot.com

37. Saint John completes modernization project, January 26, 2024, www.insidelogistics.ca

38. Shipping faces lengthy disruptions as Middle East fallout worsens, January 29, 2024, www.freightwaves.com

regulations will reduce logistical and administrative burdens for the shipping industry. They also bring Canada's regulations in line with the International Maritime Organization standard.

9. Davie Shipyard suing Ottawa to prevent any disclosure of shipbuilding strategy deal

Quebec-based Davie shipyard is suing the federal government to prevent it from releasing a single word of the agreement that made it eligible for billions of dollars in potential federal shipbuilding contracts. In April, flanked by a bevy of shipyard workers and federal and provincial politicians, Prime Minister Justin Trudeau held an upbeat press conference to announce that Chantier Davie was formally joining the country's flagship shipbuilding program alongside N.S.-based Irving Shipbuilding and B.C.-based Seaspan Shipyards. The government and Davie signed an "Umbrella Agreement" that will serve as a framework for negotiations for each shipbuilding contract. Prime Minister Justin Trudeau pegged the total estimated value of the contracts at \$8.5 billion. Quebec Premier Francois Legault and Trudeau (not shown) made the announcement at the Davie shipyard in Levis, Que., on April 4, 2023.

10. HAPAG-LLOYD (Canada) joins Westac as the council's first container carrier

Hapag-Lloyd (Canada) Inc., one of the leading shipping lines for the Canadian market, is the newest addition to the Western Transportation Advisory Council (WESTAC). With 264 vessels, 12 million TEU transport volumes, and around 16,100 employees in more than 398 offices in 135 countries, Hapag-Lloyd is a leading global liner shipping company and a powerful partner in the supply chain industry. Established in 1892, Hapag-Lloyd Canada serves all major deep-sea ports in Canada, with a strong representation in Vancouver and direct calls into Prince Rupert. "WESTAC is very excited to have Hapag-Lloyd Canada join the Council as our first container carrier. As one of the leading ocean carriers in the world, their breadth of knowledge will benefit our initiatives and discussions to enhance the fluidity of our trade network," said Lindsay Kislock, President & CEO of WESTAC.

11. Carriers quoting trans-Pac rates of \$5,000/FEU on Suez-linked equipment imbalances

Some industry sources say demand in the eastbound trans-Pacific may not be strong enough to support \$5,000 spot rates. Container lines are now quoting spot rates of \$5,000 per FEU from Asia to the US West Coast effective Jan. 15 — almost twice the current rate — as container lines try to reclaim costs from widening equipment imbalances caused by Red Sea disruptions. Carriers have already successfully pushed up spot container rates and freight-all-kinds (FAK) rates charged to forwarders from about \$1,750 per FEU on Dec. 15 to \$2,750 per FEU on Jan. 1. The new rate move by carriers in the eastbound trans-Pacific comes as the security situation in the Red Sea shows no signs of improving, forcing ship diversions.

12. Houthis launch barrage of missiles, drones in new Red Sea attack

Houthi rebels in Yemen carried out one of their largest missile and drone attacks to date on commercial shipping lanes in the Red Sea late Tuesday (January 9, 2024), igniting a response from five US and UK warships patrolling the region critical to global trade. Eighteen drones, two anti-ship cruise missiles and one anti-ship ballistic missile were shot down by allied forces, US Central Command said in a statement on X, formerly known as Twitter. The attack occurred just a day after Secretary of State Antony Blinken, on a tour of the Middle East, warned the Houthis of "consequences" for continued assaults on ships. No injuries or damage to merchant vessels were reported in Tuesday's "complex" assault, Centcom said. The episode represented the 26th Houthi attack on commercial shipping in the Red Sea since Nov. 19, Centcom added. About 50 merchant vessels were in the region of the attacks, CNBC reported, citing US officials it didn't identify. The White House did not immediately respond to a request for comment on the latest aggressive act by the Houthis, a group from Yemen's northwest who touched off a civil war in 2014 with their seizure of the capital, Sana'a.

13. Federal funding for six projects meant to clear bottlenecks

The federal government has announced \$12 million in funding for six projects that will help remove bottlenecks in key corridors. Through the National Trade Corridors Fund the government will contribute up to \$5 million to the Buffalo and Fort Erie Public Bridge Authority. The second project will see \$4.2 million going to the St. John's Port Authority for the wharf redevelopment. BlueNode Inc. will receive \$2 million to introduce an artificial intelligence platform that will improve supply chain visibility at Canadian ports. British Columbia will get \$675,000 to conduct a study of the Moray swing bridge. The city of North Bay, Ontario, will receive \$75,000 to conduct a feasibility study to identify and assess the options available to enhance the capacity of North Bay's trade corridor. The City of Toronto's Economic Development Program will get \$74,500 to assess the condition of old dockwalls at the Port of Toronto.

14. Maersk opts for rail crossing on a north-south service to bypass Panama Canal

Maersk plans to eliminate Panama Canal vessel transits on a north-south service between Oceania and the US East Coast, citing the ongoing drought that has reduced ship transits and container carrying capacity through the waterway. The Copenhagen-based carrier said that its OC1 service linking Australia and New Zealand with the ports of Philadelphia and Charleston will instead use a 50-mile rail service across the Isthmus of Panama to handle cargo between the Atlantic and Pacific. As a result, the OC1 service will be broken into two loops, Maersk said.

15. LA's Seroka says ports of LA & Long Beach increased market share in 2023

In his ‘State of the Port of Los Angeles’ address on January 10th, 2024, Port of Los Angeles Executive Director Eugene Seroka reported that the Ports of Los Angeles and Long Beach increased their national market share by 3 percent in 2023. Seroka spoke at the annual event organized by the Pacific Merchant Shipping Association (PMSA) where he said: “We were pleased to see a 3% bump in our West Coast market share compared to East and Gulf Coast ports. Working together with our partners at the Port of Long Beach, we have made San Pedro Bay the country’s biggest gateway – nearly double the size of the next largest port complex.” Eugene Seroka, Executive Director at Port of Los Angeles Seroka went on to describe that since the second half of 2023, the Port of Los Angeles returned to positive container flow, with 5 straight months of year-on-year growth saying, “While ... our 2023 total volume was more than 8.6 million twenty-foot units, down about 13% compared to 2022. That’s a dramatic recovery from the decrease of more than 30% we saw after the first quarter of the year.” Seroka said that on the import side, “We handled roughly 4.5 million TEUs, down about 10% from 2022. And our exports had the highest volume since 2020, up more than 7% year over year.”

16. Drewry World Container Index - 11 Jan

Drewry’s World Container Index increased by 15% to \$3,072 per 40ft container this week. Drewry’s detailed assessment for Thursday, 11 January 2024 is as follows: 1. The composite index increased by 15% to \$3,072 per 40ft container this week and has increased by 44% when compared with the same week last year. 2. The latest Drewry WCI composite index of \$3,072 per 40ft container is the highest since October 2022 and is 116% more than average 2019 (pre-pandemic) rates of \$1,420. 3. The average composite index for the year-to-date is \$2,871 per 40ft container, which is \$196 lower than the 10-year average rate of \$2,675 (which was inflated by the exceptional 2020-22 Covid period). 4. Freight rates on Shanghai to Genoa increased by 25% to \$5,213 per feu. Followed by rates on Shanghai to Rotterdam which rose by 23% to \$4,406 per 40ft box. Likewise, rates on Rotterdam to Shanghai elevated by 19% to \$652 per 40ft container. Similarly, rates on Shanghai to New York increased by 8% to \$4,170 per feu. Also, rates on Shanghai to Los Angeles increased by 2% to \$2,790 per 40ft box. In the same way, rates on New York to Rotterdam and Rotterdam to New York surged by 1% to \$599 and \$1,513 per 40ft box respectively. Conversely rates on Los Angeles to Shanghai dropped by 1% to \$766 per 40ft box. Drewry anticipates East-West spot rates to increase in the coming weeks, due to the Red Sea/Suez situation.

17. Cost to jump Panama Canal line just got a whole lot cheaper

The cost for shippers to jump ahead of congestion at the Panama Canal has significantly dropped from multimillion-dollar record highs in recent months, as the backlog of vessels to cross has lessened as tankers avoid the canal altogether. The Panama Canal has reduced its operating daily slots to a third of its usual transit due to ongoing drought conditions exacerbated by El Niño. Losing the freshwater used to operate the canal threatens the country’s drinking-water supply and the dry conditions are expected to last until the start of the rainy season in May or June. As of Jan. 11, the average auction price for Neopanamax slots, which allow for the largest class of tankers permitted to transit the canal, was \$269,000, according to a Panama Canal Authority spokesperson. Vessels carrying liquefied natural gas are included in that class. Panama-based Francisco Torné of shipping agency Waypoint Port Services said the final auction prices are reduced due to the very low number of bidders for the Neopanamax slots. Canal slots had been auctioned as high as nearly \$4 million last November. The decreased demand for the slots is due to vessels diverting away from the Panama Canal using alternate routes. In another waterway critical to trade, escalation of security concerns around the Red Sea and Suez Canal has further disrupted global shipping.

18. Container lines ‘scramble’ to rent more ships amid Red Sea crisis

Red Sea diversions mean container lines need more ships to carry the same amount of cargo. The security situation — which is even more precarious in the near term due to coalition air strikes in Yemen — has already driven spot container freight rates much higher. Now it is starting to push up the price container lines pay to rent ships. “This week saw a scramble for prompt tonnage,” said MB Shipbrokers (formerly Maersk Broker) in a market report on January 12, 2024, referring to ships that can be chartered immediately. “Owners have certainly become more bullish and are pushing for higher-than-last-done levels in all segments and most regions.” Charter rates are headed higher, “specifically for short periods of three to six months’ duration,” said MB Shipbrokers. Shipbroker Braemar reported Sunday: “Chartering activity [has] further improved. Various prompt vessels across all sizes and regions [are] seeing increased interest. Charter rates as well as periods are witnessing a firming trend.”

19. Remote and autonomous ship operations driving the future of marine data management

Remote, lean crewed, and autonomous ship operations are playing a more extensive role than ever before in the maritime industry. This paradigm shift is not only revolutionizing the way ships are operated but also driving and being driven by significant advancements in data management and data handling. We sat down with a group of industry professionals from Ocean Infinity, a leading maritime technology company, to explore the pivotal role of data in this transformation. From the challenges of data collection and bottlenecks to the power of picking the right data to process at the right time, our conversation provides a snapshot of the driving forces behind the maritime data revolution.

20. Port of Los Angeles finishes 2023 with five months of year-over-year growth

The Port of Los Angeles closed out 2023 on a strong note, processing 747,335 Twenty-Foot Equivalent Units, 2.5% more than last year. It was the fifth consecutive month of year-over-year gains. The Port finished 2023 handling 8,634,497 TEUs, about 13% less than the prior year. Trade declined in most categories at ports worldwide yet the Port of Los Angeles retained its position as the nation's busiest container port for the 24th consecutive year. "In 2024, our sights are set on community investment, sustainability progress and capturing additional market share," said Port of Los Angeles Executive Director Gene Seroka. "To drive cargo, we're investing in a 10-year, \$2 billion capital improvement program. We'll also focus on secure technology enhancements to improve efficiency and reduce our carbon footprint. All that leads to additional jobs and the Port's ability to re-invest more dollars back into our communities." Last week, Seroka outlined the Port's priorities for this year. December 2023 loaded imports landed at 369,477 TEUs, an increase of 5% compared to the previous year. Loaded exports came in at 121,575 TEUs, an increase of 26% compared to 2022. Empty containers totalled 256,283 TEUs, an 8.5% decrease compared to last year.

21. Exports increased at the Port of New York and New Jersey in November

In November 2023, the Port of New York and New Jersey moved 644,439 TEUs (355,788 containers). This number represents a 10.9 percent decrease over last year's November figure of 723,069 TEUs (400,202 containers) and brings the port's year-through November total to 7,176,126 TEUs (3,976,774 containers). Imports also fell slightly (7.2 percent) in November compared to the previous year, totalling 324,559 TEUs (179,757 containers) versus 349,658 TEUs (194,678 containers). From January through November, imports at the Port of New York and New Jersey reached 3,663,904 TEUs (2,032,469 containers) versus 4,500,840 TEUs (2,493,621 containers) in the same period of 2022, an 18.6 percent decrease. Exports increased by 1.5 percent in November compared to November 2022, totalling 111,743 TEUs (59,906 containers) and 110,111 TEUs (59,530 containers). A total of 1,180,698 TEUs (637,768 containers) were exported through the Port of New York and New Jersey from January through November, a 1.3 percent decrease when compared to the 1,196,204 TEUs (647,928 containers) that moved through the Port in 2022.

22. Carrix integrates Ceres Terminals into SSA Marine

Carrix, a leading marine terminal operator in the U.S. and the Americas, January 16, 2024 announced the rebranding of Ceres Terminals (Ceres) as SSA Marine, following Carrix's acquisition of the company. The acquisition, originally announced in September 2023, expands SSA Marine's global footprint as well as its ability to provide unparalleled marine terminal operations and stevedoring services for container, breakbulk, cruise line, and auto customers throughout North America, particularly in the Gulf and Atlantic regions of the U.S. "Adding Ceres' extensive operations and tremendous employees to the SSA Marine family brings new efficiencies to bear for our marine terminal operations in North America," said Uffe Ostergaard, CEO of Carrix. "Operating as one, unified brand will allow us to take advantage of the extensive combined industry experience and shared best practices of both companies in service to our customers." As a result of this integration, the Ceres brand will sunset, and all Ceres operations will take place under the SSA Marine brand.

23. The Government of Canada announces projects to remove abandoned boats from Canadian waters

On January 16, 2023, Patrick Weiler, Member of Parliament for West Vancouver—Sunshine Coast—Sea to Sky Country, on behalf of the Minister of Transport, Pablo Rodriguez announced up to \$1.6 million for eight projects which will assess, remove, and dispose of 34 abandoned and wrecked vessels in Canadian waters. The organizations that will receive funding are: 1. Salish Sea Industrial Services; 2. Rugged Coast Research Society; 3. Gibsons Marine Transport Ltd.; 4. Freedom Diving Systems Ltd.; 5. Vancouver Fraser Port Authority; and 6. TS'IL SDANG. Abandoned boats in Canada (for example, recreational and small commercial fishing vessels) have economic and environmental impacts on local communities. They can pollute the marine ecosystem, damage infrastructure, interfere with navigation and pose a safety risk to Canadians.

24. Sugar refinery to open at Hamilton port

Sucro Can Sourcing LLC, a sugar refiner, plans to build Canada's largest sugar refinery at the Port of Hamilton, Ontario, on lands owned by HOPA Ports (Hamilton-Oshawa Port Authority). The new refinery will be the largest in Canada, with an expected future annual refining capacity of one million metric tonnes, representing an estimated investment of \$135 million CAD. "The sugar markets in both Canada and the United States are experiencing steady, long term, sustainable growth, and Sucro is investing to supply these growing market demands," said Jonathan Taylor, founder and CEO of Sucro Sourcing.

25. Maersk and Hapag-Lloyd form new partnership

Hapag-Lloyd and Maersk have signed an agreement for a new long-term operational collaboration called "Gemini Cooperation", which will start in February 2025. The new cooperation between Hapag-Lloyd and Maersk will comprise a fleet pool of around 290 vessels with a combined capacity of 3.4 million containers (TEU); Maersk will deploy 60 percent and Hapag-Lloyd 40 percent. It will cover seven trades: Asia/US West Coast, Asia/US East Coast, Asia/Middle East, Asia/Mediterranean, Asia/North Europe, Middle East-India/Europe and Transatlantic. The

cooperation will include 26 mainline services. The network will be centered around 12 key hub ports (10 owned and/or controlled terminals and two highly efficient operations in Singapore and Cartagena). An additional 32 dedicated regional shuttle services will connect these key hubs. That includes 14 shuttle services in Europe, four in the Middle East, 13 in Asia and one in the Gulf of Mexico. Hapag-Lloyd will leave THE Alliance end of January 2025. In January 2023, Maersk and MSC announced that the 2M alliance will end in January 2025.

26. Port of Prince Rupert handles 23.5 million tonnes of cargo in 2023, a 5 percent annual decline

The Prince Rupert Port Authority (PRPA) announced on January 18, 2024 that 23.5 million tonnes of cargo moved through the Port of Prince Rupert in 2023, five percent less than volumes in 2022. This marks a third consecutive year of volume decline and reflects challenges of shifting global shipping routes, soft demand for imports, and competition with other North American trade gateways for discretionary cargo. However, despite the decline in volumes, significant milestones were reached in 2023 that support the evolution of the trade gateway to become more competitive, resilient, and sustainable in the near and long-term. “The Port of Prince Rupert is at a critical juncture, and we are focused on actively expanding the services, capacity, and capabilities required to strengthen our competitive advantage that trade partners and industry have come to rely on and grow our gateway,” said Shaun Stevenson, President and CEO, Prince Rupert Port Authority. “The 2023 results underscore the importance of the projects already underway to develop large-scale transloading infrastructure and build new energy export facilities. These developments will open a new chapter in intermodal trade at the Port and anchor Canada’s role in global energy security for decades to come.” DP World Prince Rupert’s Fairview Container Terminal saw a 32 percent decrease in volumes in 2023. This significant drop is due to a broader decline in North American intermodal imports and strong competition on Transpacific trade routes. Terminal performance was also impacted by labour action that halted operations for 13 days in Q3.

27. Container rates soar as Red Sea chaos worsens capacity crunch

Container shipping rates from Asia to Europe rose for a seventh straight week, reflecting tighter capacity as more vessels avoid the threat of attacks in the Red Sea and take the long way around southern Africa. The spot rate for a 40-foot container going from Shanghai to Genoa, Italy, in the Mediterranean jumped by more than \$1,000 to \$6,282, according to the Drewry World Container Index released January 18, 2024. Seven weeks of gains is the longest advance since the pandemic in 2021. The latest charge for Shanghai to Rotterdam rose 12% to \$4,951, the highest since September 2022. The shipping diversions are affecting the transportation of Asian goods to the US, too. Among east-west trade lanes, the biggest weekly increase in percentage terms was Shanghai to Los Angeles, which surged 38% to \$3,860.

28. Port of Corpus Christi customers moved record tonnage through Waterway in 2023, surpassing 200M tons for first time Jan 18, 2024

Port of Corpus Christi customers set a new high mark in annual tonnage during 2023, moving more than 200 million tons of goods through the Corpus Christi Ship Channel for the first time in its history. Port of Corpus Christi customers set a new high mark in annual tonnage during 2023, moving more than 200 million tons of goods through the Corpus Christi Ship Channel for the first time in its history. The 203 million tons moved in 2023 was an 8.1 percent increase from the prior year. The new high mark primarily can be attributed to a jump in crude oil exports to 126.1 million tons in 2023, a 12.5 percent increase compared to 2022. The Port of Corpus Christi also saw a nearly 13.5 percent increase in agricultural commodities to a little over 2.2 million tons, as well as a slight increase in refined products to 42.5 million tons. A record volume of liquefied natural gas (LNG) – 16.3 million tons – moved through the Corpus Christi Ship Channel in 2023, as well. Port of Corpus Christi customers moved 51.8 million tons through the gateway during the fourth quarter of 2023, a 4.4 percent increase from the same period in 2022. The leading commodities during this period were crude oil, refined products and LNG. A record volume of crude oil – 12.2 million tons – moved through the waterway in December 2023, 10.1 percent higher than the prior record set in September 2023. “The reaching of this newest milestone in the Port of Corpus Christi’s lengthy history is a testament to the strength and commitment of our customers, who supply much-needed goods to our trading partners around the world,” said Kent Britton, Chief Executive Officer for the Port of Corpus Christi. “Closing out 2023 on such a strong note sets the right tone as we go into 2024, which we expect to be another solid year for our customers.”

29. European wheat shipments are bypassing the Suez Canal

European wheat vessels increasingly are being rerouted to avoid the Suez Canal amid rising security risks in the key trade lane. The share of shipments from the European Union, Ukraine and Russia using alternative routes on their way to Asia and Africa surged to 42% by mid-January from 8% last month, the World Trade Organization said in its wheat dashboard. The number of cargoes transiting via the Suez Canal is down by 40% from a year ago. Commodity carriers have been forced to bypass the Suez Canal, taking longer and more expensive routes to their destinations, because of Houthi militant attacks on merchant ships in the Red Sea. Grain markets have been upended by a number of shipping disruptions over the past couple of years including those caused by the war in Ukraine and low water levels at the Panama Canal. It’s a reminder of how fragile food supply chains can be. If disruptions worsen, they could stall the

slump in food-commodity costs that had started to filter through to cheaper grocery bills. Recent dashboard data indicate a slowdown in world seaborne wheat imports, with volumes through mid-January marginally lower than a year ago. Still, wheat trade has proved to be resilient, “with no major disruption noted in seaborne bulk shipments.”

30. Fuel tanker rates are soaring on Red Sea disruption

The cost of transporting fuels on key trade routes is soaring as attacks on Red Sea shipping ripple out into global markets. The day rate for shipping a cargo of gasoline from northwest Europe to the US east coast has almost tripled since the start of the year, nearing \$38,000 a day on January 21, 2024, according to data from the Baltic Exchange. Fleet use is up 2.5 percentage points from the average in the fourth quarter, according to an estimate from Clarksons Securities analysts including Frode Morkedal. “This uptick is partly due to rerouting ships around Africa, leading to reduced availability for spot cargoes,” they wrote in a report earlier on January 21, 2024. Several oil product tanker companies have said they will no longer carry cargoes through the Red Sea in response to the attacks on merchant shipping by Houthi militants. Vessels including the Almi Globe are sailing the long way around Africa instead of passing through the danger zone. Hauling fuel from the Middle East to Japan has gone up by two thirds in a week, the Baltic Exchange’s data show. The longer journeys mean there are fewer ships available in the spot market to pick up cargoes, restricting vessels supply.

31. Shipping sector must seize solutions to reduce underwater noise pollution

As a meeting of the International Maritime Organization’s Sub-Committee on Ship Design and Construction (SDC 10) opens on January 22, 2024 in London, the Clean Arctic Alliance calls on the maritime sector to reduce the impact of underwater noise from shipping on Arctic wildlife: “Underwater noise levels from shipping are increasing in Arctic waters, threatening both Indigenous communities and wildlife who depend on marine resources for food - yet there is no regulation of this noise pollution. Up to now, the IMO has spent too long focusing on voluntary guidelines instead of moving to mandatory noise reduction measures”, said Dr Sian Prior, Lead Advisor to the Clean Arctic Alliance. “During this week’s meeting, the IMO has the chance to put in place an action plan that includes formulating best practices for underwater noise management planning, experience-building to reduce underwater noise, and laying the groundwork for new policy, all important steps to moving towards mandatory measures that ensure noise pollution from ships is reduced throughout our oceans”.

32. Port of New Orleans gets \$226M for international container terminal

The Louisiana International Terminal will be capable of handling 2 million TEUs annually and ultralarge container vessels that travel through the Panama Canal once it is completed around 2028. Efforts to build an international container terminal at the Port of New Orleans capable of handling ultralarge container vessels got a boost Monday from the federal government. The port announced it was awarded an additional \$226.2 million grant to assist in constructing the \$1.8 billion Louisiana International Terminal (LIT), a project that aims to position the port as the top international container gateway in the Gulf of Mexico.

33. Zim launches its own Asia-Western Canada express service

Zim Integrated Shipping has launched its first standalone express container service between Asia and the Port of Vancouver, augmenting the carrier’s slot-sharing agreement with Mediterranean Shipping Co. for service to the west coast of Canada. Zim’s Pacific Northwest Xpress (ZPX) service kicked off with the Jan. 21 departure of the GSL Valerie from Vietnam’s Port of Cai Mep. It’s scheduled to arrive in Vancouver on Feb. 12. The ship will be one of seven with an average capacity of 3,500 TEUs that will be in the ZPX service string, according to Sea-Intelligence Maritime Analysis.

34. Conciliators appointed in BC ports negotiations

Federal conciliators have been deployed to help negotiate a settlement between dockworkers and BC ports. On January 10, 2024, the British Columbia Maritime Employers’ Association (BCMEA) filed a Notice of Dispute, seeking conciliation assistance from the Federal Mediation and Conciliation Services in an effort to conclude a negotiated collective agreement with ILWU Local 514 Ship and Dock Foremen. In response, the Minister of Labour appointed three conciliation officers to assist the parties in reaching a negotiated settlement.

35. Intermodal service opens between Hamilton and Montreal

Hamilton Container Terminal (HCT), in collaboration with Hamilton-Oshawa Port Authority (HOPA Ports), and Canadian National Railway (CN), have launched a direct intermodal rail service between Hamilton, Ontario, and Montreal. The new rail terminal is located at Pier 18 on Hamilton’s Bayfront, operated by the Hamilton Container Terminal (HCT).

36. Port Saint John celebrates completion of West Side Modernization Project

The \$205M Port Saint John West Side Terminals Modernization Project at Port Saint John has come to a close, transforming the port and attracting significant private investment in the process. Funded equally by the Federal Government, Province of New Brunswick, and the Port, this construction project has been completed on time, on budget, and with increased scope despite challenges arising during the COVID-19 pandemic and global supply chain

disruptions. Thanks to this critical infrastructure investment, the west side container terminal is enjoying increased laydown capacity of over 160% or 325,000TEU. Other improvements include a 345-meter berth, the addition of new refrigerated towers, dredged the main channel to be deeper and wider and an expanded intermodal yard. Though only newly finished, the project's clear benefits have been attracting world-class private sector partners and private investments to the tune of \$560M since the signing of the project's funding agreement in 2016. Our value proposition to importers and exporters has grown as our private sector partners are investing more than \$560M in rail and terminal upgrades. Port Saint John is the only port in eastern Canada that connects to three class one rail lines via our short line rail partners at NB Southern Rail offering unmatched optionality and in 2016 signed a long term agreement with DP World, a world class terminal operator, who have invested millions including two new post-panamax cranes in 2023.

37. Saint John completes modernization project

The Port of Saint John has finished its West Side Terminal Modernization project. Started in 2016, the project has increased laydown capacity of over 160 percent or 325,000 TEU at the terminal. Other improvements include a 345-metre berth, the addition of new refrigerated towers, dredging the main channel to be deeper and wider and an expanded intermodal yard. Craig Bell Estabrooks CEO of Port Saint John said "Port Saint John is proud to announce the completion of the Modernization project that has positioned us to be a critical part of Canada's supply chain. In 2022 our terminal throughput nearly doubled to 151,000 TEU and in 2023 we were one of the only ports in North America to see container volumes grow as global trade was down. Our government partners have continually supported our vision for growth and now we are seeing that vision come to reality."

38. Shipping faces lengthy disruptions as Middle East fallout worsens

The Red Sea crisis — and the Middle East situation in general — is worsening. There's growing conviction that shipping diversions around the Cape of Good Hope will increase in scope and last much longer than initially expected. That should be good news for shipping stocks over time, due to durably longer voyage distances. The Houthis hit the JP Morgan-owned product tanker Marlin Luanda with a ballistic missile on January 26, 2024, setting a cargo tank on fire. The tanker was chartered by trading house Trafigura and loaded with Russian naphtha. The fire was extinguished the next day, with all crew safe. On January 28, 2024, a drone attack by an Iranian-backed militia killed three U.S. service members and injured at least 40 more at a U.S. military site in Jordan. The Biden administration has vowed to respond, raising the specter of a wider Middle East conflict. "Red Sea diversions are on the rise as continued attacks on vessels in the region are prompting more shipping companies to avoid transiting the area," said Jefferies shipping analyst Omar Nokta in a client note on January 29, 2024.

RAIL TRANSPORTATION

1. Will Congress pass any rail safety bills in 2024?

The passage of any rail safety legislation in Congress next year is likely to be influenced by two things, industry observers told *FreightWaves*: the 2024 presidential election and the release of a report by the National Transportation Safety Board on the February 2023 derailment of a Norfolk Southern train in East Palestine, Ohio. That February derailment — although it resulted in no injuries or deaths — has prompted calls to bolster rail safety because it led to the venting of tank cars carrying vinyl chloride, a hazardous material. That venting, conducted because of concerns that chemical reactions inside the derailed tank cars would eventually cause an explosion, resulted in a huge plume of smoke over the derailment site, rattling locals and raising concerns about the environmental health of communities in the area. NTSB is expected to release its final investigative report in 2024. The report will include recommendations about what the industry and stakeholders can do to enhance rail safety. NTSB's reports typically come out 12-16 months after an incident, so the report on the East Palestine derailment could come as soon as the first quarter of 2024 but is more likely to come out midyear, sources said. That report and its recommendations could influence what kind of rail safety legislation is produced in the U.S. House of Representatives. Indeed, Republican House leaders indicated in 2023 that they would not move on rail safety legislation until NTSB's report on East Palestine came out, multiple sources told *FreightWaves*. In the Senate, a rail safety bill co-sponsored by the senators of Ohio and neighboring Pennsylvania and others passed the Senate

RAIL TRANSPORTATION

Canada

1. Will Congress pass any rail safety bills in 2024?, January 1, 2024, www.freightwaves.com
2. Freight Rail Services Price Index, December 2023, January 2, 2024, www.statcan.gc.ca
3. 7 hot issues for rail stakeholders in 2024, January 4, 2023, www.freightwaves.com
4. For U.S. Rail Traffic, 2023 Ends on a High Note, January 3, 2023, www.railwayage.com
5. NTSB Releases WMATA 2021 Derailment Report, January 5, 2024, www.railwayage.com
6. 2024 Railroader of the Year: Tracy Robinson, CN, January 8, 2024, www.railwayage.com
7. U.S. Rail Traffic Boost Continues in First Week of 2024, January 10, 2024, www.railwayage.com
8. Transport Canada beefing up DG regulations, January 9, 2024, www.insidelogistics.ca
9. UK train drivers to strike in January and February over pay, January 16, 2024, www.ajot.com
10. FTR: Freight Rail Transitioning to Growth in 2024, January 16, 2024, www.railwayage.com
11. CN and Unifor Affiliated CNTL Drivers Reach Tentative Agreement, January 17, 2024, www.cn.ca
12. North American Rail Volume Down Through Week 2, AAR, January 17, 2024,

Commerce Committee in May but never got to the Senate floor for a vote in 2023. Notwithstanding the above, things tend to slow down in election years.

2. Freight Rail Services Price Index, December 2023

Data for December for the Freight Rail Services Price Index (2018=100) are now available. The index is 130.1 for December 2023 down from 1.6 points from November 2023. The index is up 1 point from December 2022 of 129.1. For the 4th quarter of 2023 the index is 130.9 up from the previous quarter of 122.4 and up 2.8 points from the 128.1 for the 4th quarter of 2022.

3. 7 hot issues for rail stakeholders in 2024

Here are seven issues that rail industry stakeholders are keeping track of in 2024 in the U.S. 1. Reciprocal switching, common carrier obligation. 2. Uncertainties over STB chairmanship and makeup of the board. 3. Government action to bolster the supply chain and fund infrastructure. 4. California's transition from diesel locomotives to zero-emissions configurations. 5. 2024 as next stage for intermodal collaborations. 6. Federal action on rail safety. 7. Labor contract negotiations.

4. For U.S. Rail Traffic, 2023 Ends on a High Note

The fourth quarter was “the best quarter of 2023 for U.S. rail volumes on a year-over-year basis,” AAR Senior Vice President John T. Gray reported Jan. 2. “It appears that intense rail efforts to improve service quality are paying off. Railroads are hopeful that gains in the fourth quarter will carry over into the first quarter of 2024 and beyond.” Total U.S. rail carloads were up 2.0% in fourth-quarter 2023 over the same quarter in 2022, while U.S. intermodal was up 5.5%, according to Gray, who provided the results in the *Association of American Railroads'* (AAR) rail traffic report for December and the week ending Dec. 30, 2023. December 2023 was the *fourth consecutive month that total year-over-year carload and intermodal volumes rose for U.S. Class I railroads*. They hauled 1,859,264 carloads and intermodal units last month, up 8.8%, or 150,685 carloads and

containers and trailers, from December 2022, according to the AAR. This comprises 876,881 carloads—increasing 7.3%, or 59,804 carloads, from December 2022—and 982,383 containers and trailers—rising 10.2%, or 90,881 units, over December 2022. Canadian railroads reported 75,463 carloads for the week ending Dec. 30, 2023, up 9.9%, and 56,220 intermodal units, up 6.4% compared with the same week in 2022. For the first 52 weeks of 2023, they reported cumulative rail traffic volume of 8,299,862 carloads, containers and trailers, down 2.4%.

5. NTSB Releases WMATA 2021 Derailment Report

The National Transportation Safety Board (NTSB) on Jan. 4, 2024 issued its final report on the October 2021 Washington Metropolitan Area Transit Authority (WMATA) train derailment in Arlington, Va., attributing the cause to a wheelset irregularity. Chair Jennifer Homendy was critical of both the transit agency's “safety culture” and the Federal Transit Administration's (FTA) oversight. The NTSB observed the inspection and disassembly of wheelset #4 from railcar 7200, which caused the 2021 Washington Metropolitan Area Transit Authority derailment in Virginia. “In accordance with wheelset design, each wheel should have been flush against its bearing when mounted,” NTSB wrote in its January 2023 derailment investigation report. “Before disassembly, the inspection identified gaps between both wheels and their respective bearings: about 0.63 inches for the right-side wheel and about 1.10 inches for the left-side wheel [see above] ... The back-to-back measurement was about 55.375 inches, or about 2 inches wider than the maximum design specification.”

6. 2024 Railroader of the Year: Tracy Robinson, CN

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

www.railwayage.com

13. CSX leads industry in intermodal customer satisfaction, January 18, 2024, www.ajot.com

14. STB Calculates Five-Year Change in Railroad Productivity, January 22, 2024, www.railwayage.com

15. CN's Robinson: 'Our Pivot to Profitable Growth Is Under Way', January 23, 2024, www.railwayage.ca

16. CN Announces Fourth Quarter and Year-End Results, January 23, 2024, www.cn.ca

17. CN Announces New Normal Course Issuer Bid for Share Repurchase and 7% Dividend Increase, January 23, 2024, www.cn.ca

18. U.S. Department of transportation approves \$2.5 billion in private activity bonds allocation for brightline west project, January 23, 2024, www.dot.gov

19. AAR: North American Rail Volume Down Through Week Three, January 23, 2024, www.railwayage.com

20. For CSX 4Q23, Revenue Down, Volume Up, January 23, 2024, www.railwayage.com

21. Federal Railroad Administration Issues Final Rule Requiring Emergency Escape Breathing Apparatuses in Trains Carrying Hazmat, January 25, 2024, www.dot.gov

22. UP 2023: 'Improved Resource Utilization Drives Strong Service Metrics', January 25, 2024, www.railwayage.com

23. NS 4Q23 Concludes 'Challenging, Transformational' Year (Updated, TD Cowen Insight), January 29, 2024, www.railwayage.com

24. U.S. Department of Transportation Announces \$31.4 Million Loan to Upgrade Critical Rail Lines in California, January 29, 2024, www.dot.gov

25. Arctic Blast Was Brutal, January 29, 2024, www.railwayage.com

7. U.S. Rail Traffic Boost Continues in First Week of 2024

For the week ending Jan. 6, 2024 (Week 1), total U.S. rail traffic was 417,257 carloads and intermodal units, rising 2.3% from the prior-year period, the Association of American Railroads (AAR) reported Jan. 10, 2024. Total rail traffic for the week ending Jan. 6, 2024, comprised 208,176 carloads, up 0.9% from 2023, and 209,081 containers and trailers, up 3.7% from the same week last year, according to [AAR](#). Seven of the 10 carload groups posted an increase. Canadian railroads reported 85,204 carloads for the week, up 2.2%, and 59,601 intermodal units, down 1.5% compared with the same week in 2023. For the first week of 2024, Canadian railroads reported cumulative rail traffic volume of 144,805 carloads, containers and trailers, up 0.7%.

8. Transport Canada beefing up DG regulations

Transport Canada is proposing changes to the *Transportation of Dangerous Goods Regulations* (TDGR) to improve safety and bring Canadian rules into alignment with international codes. The proposed amendments to the Transportation of Dangerous Goods Regulations, are aimed at: 1. enhancing buffer car requirements; 2. strengthening emergency response assistance plan requirements for the transport of agricultural anhydrous ammonia on public roads; 3. aligning regulations with other federal rules on transporting dangerous goods; 4. introducing new rules to match international codes; and 5. referencing and incorporating two new standards. “Through these proposed changes to the Transportation of Dangerous Goods Regulations we want to strengthen transportation safety in Canada and reduce the risk of incidents involving dangerous goods.

9. UK train drivers to strike in January and February over pay

Train drivers across much of the UK will strike again in the coming weeks following a long-running pay dispute between the Aslef union, rail bosses and government ministers. Aslef said on January 15, 2023 that its members would hold a series of walkouts on five separate days from Jan. 30 through Feb. 5, 2024. Each affected rail line will only be hit by a strike on one of those days, but drivers will also refuse overtime from Jan. 29 through Feb. 6, 2024 which could cause further delays and cancellations. Routes that serve many commuters into London — such as Southeastern, Southern, South Western and Thameslink — face industrial action on the first day of the strikes, Jan. 30, 2024. Aslef argued that it has had no contact from the Department for Transport for a year. “It’s clear they do not want to resolve this dispute,” said Mick Whelan, Aslef’s general secretary. Ministers have previously argued that it’s a matter for rail companies and the union to resolve, and that drivers have already been offered a raise to around £65,000 (\$82,800) per year for a four-day week.

10. FTR: Freight Rail Transitioning to Growth in 2024

The author of this article offers his views on the outlook for railway traffic in the U.S. for 2024. “I have not been this optimistic about seeing real chances for future rail market share growth since about 2018. I became pessimistic during 2019, and then progressively more pessimistic with the oncoming pandemic—not about the financial dip for U.S. freight railroads, but about market share growth. Those are, of course, two different measurements of success or failure. Finally, I’m in the beginning of the plus side view. There are challenges ahead, but with possible solutions at least selectively by market segment and by certain strategic corridors.” Trucking is certainly seeing its own market and growth challenges, but it’s not giving up its market share lead. As railroaders, “never take our eyes off the leader.” There’s still lots of trucking capacity out there, and still a lot of truck drivers. Rail freight can’t gain share by hoping to see trucking stumble in those resource areas. Service robustness and reliability improvement by the railroads themselves are the ways to beat trucking. Let’s keep that in mind. Railway carload traffic volumes ought to significantly increase for specific commodities through 2024.

11. CN and Unifor Affiliated CNTL Drivers Reach Tentative Agreement

CN announced on January 17, 2024 that CNTL, a CN subsidiary dedicated to first and last mile trucking container pickup and deliveries, has reached a tentative agreement with owner-operators affiliated with Unifor. This four-year agreement covers approximately 750 owner-operators under contract with CNTL in Canada until December 31, 2027. Doug MacDonald, Executive Vice-President and Chief Marketing Officer at CN said “We are pleased that CNTL reached an agreement with Unifor and wish to thank the Union for their hard work throughout this process. We believe that this deal is good for the owner-operators and will support business needs, ensuring that they can continue delivering critical first mile and last mile services.”

12. North American Rail Volume Down Through Week 2, AAR

Through the first two weeks of 2024 (ending Jan. 13), total North American carload and intermodal traffic dipped 1.5% from the same point last year, the Association of American Railroads (AAR) reported Jan. 17, 2024. The U.S. and Canada experienced declines, while Mexico saw a gain. North American rail volume for the first two weeks of this year on 12 reporting U.S., Canadian and Mexican railroads came in at 1,222,708 carloads and intermodal containers and trailers. Cumulative volume in the U.S. was 874,710 carloads and intermodal units, down 1.1% from 2023; in Canada, 295,353 carloads and intermodal units, down 4.9%; and in Mexico, 52,645 carloads and intermodal units, up 16.3%. For the week ending Jan. 13, 2024, U.S. Class I railroads hauled a total of 457,453 carloads and intermodal units, falling

4.1% from the prior-year period, according to the AAR. This comprises 213,277 carloads, down 10.2% from 2023, and 244,176 containers and trailers, up 1.9% compared with last year. Canadian railroads reported 86,253 carloads for the week ending Jan. 13, 2024, a 10.8% fall-off, and 64,295 intermodal units, an 8.3% decrease compared with the prior-year period.

13. CSX leads industry in intermodal customer satisfaction

CSX continues to lead the rail industry as the “top performer” in intermodal service, according to a recent survey by the Journal of Commerce (JOC). The survey, conducted between Sept. 1 and Oct. 31, involved shippers and intermodal marketing companies (IMCs). Among the four U.S. Class I railroads, CSX was voted the top performer by 38.8% of respondents, outpacing its closest competitor by more than 14 percentage points. This honor marks the second consecutive JOC survey in which CSX has been recognized for its exceptional performance in this sector, as the rail company also was named the top performer in a similar survey released in May 2023. CSX’s internal measurement for intermodal on-time performance was 99.8% in 2023. “CSX is grateful to all of our customers for their ongoing partnership in ensuring a seamless shipping experience,” said Joe Hinrichs, president and chief executive officer of CSX. “This recognition underscores our team’s commitment to effectively collaborating with customers to provide transparent communication, innovative solutions, and exceptional service.”

14. STB Calculates Five-Year Change in Railroad Productivity

The Surface Transportation Board (STB) on Jan. 18, 2024 presented its calculation for the change in railroad productivity for the 2018-2022 averaging period. Comments are due by Feb. 5, 2024. According to the agency, each year it calculates the change, if any, in how efficiently railroads move freight. The STB calculates this figure by comparing year-to-year the average cost of producing a unit of railroad output. The STB proposes to adopt 1.011 (1.1% per year) as the measure of average (geometric mean) change in railroad productivity for the 2018-2022 (five-year) period (download decision below). This represents a decrease of 1.6% from the average for the 2017-2021 period, it said.

15. CN’s Robinson: ‘Our Pivot to Profitable Growth Is Under Way’

The CN network “is in great shape”; “we have the right people”; “CN-specific growth initiatives are producing”; and “our pivot to profitable growth is under way,” said Tracy Robinson, CN President and CEO and Railway Age’s 2024 Railroader of the Year. “Through 2023, our team of dedicated railroaders leveraged our scheduled operating model to deliver exceptional service for our customers and remained resilient in the face of numerous external challenges,” said Tracy Robinson, President and CEO of CN, the first of the six Class I railroads to issue fourth-quarter and full-year 2023 financial results. “While economic uncertainty persists, we have the momentum to deliver sustainable profitable growth in 2024.” Fourth-quarter 2023 revenues came in at C\$4.471 billion, down 2% or C\$71 million from the same quarter in 2022 (C\$4.542 billion), according to CN’s financial report released Jan. 23, 2024. The railroad said the decrease was “mainly due to lower shipments of intermodal and grain, as well as lower container storage fees and lower fuel surcharge revenues as a result of lower fuel prices; partly offset by freight rate increases and higher shipments of potash, natural gas liquids, and refined petroleum products.” Operating income for the quarter was C\$1.818 billion, down 5% or C\$94 million from the prior-year period’s C\$1.912 billion. For the three-months ended Dec. 31, 2023, CN’s operating ratio was 59.3%, up 1.4 points from the same period in 2022. CN reported net income of C\$2.130 billion, a 50% increase or C\$710 million over fourth-quarter 2022’s C\$1.420 billion. Adjusted net income was C\$1.305 billion, down 8% or C\$115 million. Diluted EPS came in at C\$3.29, an increase of 57%; adjusted, it was C\$2.02, a decrease of 4%. The railroad said year-over-year adjusted diluted EPS was “impacted by lower revenues, as well as short-term impact of carrying additional headcount through volume downturn.” Operating expenses for the quarter rose 1% to C\$2.653 billion, when compared with the same period in 2022. CN said the increase was “mainly due to higher labor and fringe benefits expense mainly driven by general wage increases and higher average headcount and higher personal injury and legal claim provisions; partly offset by lower fuel prices.”

16. CN Announces Fourth Quarter and Year-End Results

CN on January 23, 2024 reported its financial and operating results for the fourth quarter and year ended December 31, 2023. For the Full-year 2023 compared to full-year 2022 the results were: 1. Revenues of C\$16,828 million, a decrease of C\$279 million or 2%. 2. Operating income of C\$6,597 million, a decrease of C\$243 million, or 4%. 3. Operating ratio of 60.8%, an increase of 0.8 points, or an increase of 0.9- points on an adjusted basis. 4. Net income of C\$5,625 million, an increase of C\$507 million, or 10% and adjusted net income of C\$4,800 million, a decrease of C\$334 million, or 7%. 5. Diluted EPS of C\$8.53, an increase of 15% and adjusted diluted EPS of C\$7.28, a decrease of 2%. 6. The Company generated free cash flow of C\$3,887 million, a 9% decrease. 7. Return on invested capital (ROIC) of 16.8%, an increase of 1.0-point and adjusted ROIC of 14.5%, a decrease of 1.4-points.

17. CN Announces New Normal Course Issuer Bid for Share Repurchase and 7% Dividend Increase

CN announced on January 23, 2024 that its Board of Directors has approved a 7% increase in the 2024 dividend on the Company's common shares outstanding as well as the repurchase of its shares under a new normal course issuer bid

(Bid). The Bid permits CN to purchase, for cancellation, over a 12-month period up to 32 million common shares, representing 5.63% of the 568,002,080 common shares issued and outstanding of the Company not held by insiders on January 18, 2024. On that date, 642,832,885 common shares were issued and outstanding. Ghislain Houle, Executive Vice-President and Chief Financial Officer, CN said “CN has continued to deliver good financial results and free cash flow despite challenging market conditions. Our performance and expectations support maintaining our uninterrupted growth in dividends since privatization. We are also announcing a new share repurchase program that is consistent with the announcement we made at our May investor day to gradually increase our leverage over time, subject to economic conditions.”

18. U.S. Department of transportation approves \$2.5 billion in private activity bonds allocation for brightline west project

The U.S. Department of Transportation (DOT) on January 23, 2024 announced the approval of \$2.5 billion in private activity bonds authority allocated for the Brightline West High-Speed Intercity Passenger Rail project connecting Las Vegas, Nevada, and Southern California. The 218-mile, high-speed rail line will primarily run along the I-15 median with trains capable of reaching 186 mph or more, cutting the trip to two hours – half the time to travel by car. Brightline West’s \$12 billion high-speed rail project will be a fully electric, zero-emission system to become one of the greenest forms of transportation in the U.S. The project will bolster tourism, create 35,000 good-paying jobs, ease traffic on I-15, and cut more than 400,000 tons of carbon pollution each year.

19. AAR: North American Rail Volume Down Through Week Three

North American rail volume for the first three weeks of this year on 12 reporting U.S., Canadian and Mexican railroads came in at 1,778,528 carloads and intermodal containers and trailers. Cumulative volume in the U.S. was 1,272,263 carloads and intermodal units, down 5.3% from 2023; in Canada, 424,647 carloads and intermodal units, down 9.8%; and in Mexico, 81,618 carloads and intermodal units, up 17.7%. For the week ending Jan. 20, 2024, U.S. Class I railroads hauled a total of 397,553 carloads and intermodal units, falling 13.2% from the prior-year period, according to AAR. This comprises 173,371 carloads, down 22.4% from 2023, and 224,182 containers and trailers, down 4.5% compared with last year. Canadian railroads reported 74,967 carloads for the week ending Jan. 20, 2024, a 21.5% fall-off, and 54,327 intermodal units, a 15.6% decrease compared with the prior-year period.

20. For CSX 4Q23, Revenue Down, Volume Up

CSX issued its fourth-quarter 2023 earnings after Wall Street’s closing bell on Jan. 24, reporting lower revenue as the effects of volume growth and “favorable merchandise pricing were more than offset by lower intermodal storage revenue, reduced fuel surcharge, the effect of lower global benchmark coal prices, and a decline in trucking revenue.” Revenue came in at \$3.68 billion for the three months ending Dec. 31, 2023, declining 1% from the prior-year period’s \$3.73 billion. Total volume of 1.56 million units was 1% higher than 2022, with Merchandise volume up 3%, Coal volume up 3%, and Intermodal volume flat. Other fourth-quarter 2023 financial highlights: 1. Operating income of \$1.32 billion was down 10% from the fourth-quarter 2022’s \$1.46 billion. 2. CSX’s operating ratio came in at 64.1% vs. 60.9% in the prior-year period. 3. Diluted EPS of \$0.45 decreased 8% from \$0.49 in fourth-quarter 2022. 4. Net earnings of \$886 million (or \$0.45 per diluted share) were down 13% compared with \$1.02 billion (or \$0.49 per diluted share) in 2022.

21. Federal Railroad Administration Issues Final Rule Requiring Emergency Escape Breathing Apparatuses in Trains Carrying Hazmat

The Federal Railroad Administration (FRA) on January 25, 2024 announced a final rule to improve employee safety on freight trains transporting hazardous materials. The rule requires railroads to provide emergency escape breathing apparatuses (EEBAs) for train crew members and other employees who could be exposed to an inhalation hazard in the event of a hazardous material, or hazmat, release. Railroads must also ensure that the equipment is maintained and in proper working condition and train their employees in its use. This rule was advanced after the Norfolk Southern derailment in East Palestine.

22. UP 2023: ‘Improved Resource Utilization Drives Strong Service Metrics’

Like much of the industry, Union Pacific’s fourth-quarter and full-year 2023 results reflected growing momentum in the year’s final quarter and into what promises to be a stronger 2024. While full-year earnings per diluted share dropped 7% and net income fell 9% compared to 2022, 4Q23 earnings per diluted share and net income both rose 1%. UP’s 4Q23 net income of \$1.7 billion, or \$2.71 per diluted share, improved from 4Q22’s net income of \$1.6 billion, or \$2.67 per diluted share. Reported net income for full-year 2023 was \$6.4 billion, or \$10.45 per diluted share, compared to full-year 2022 net income of \$7.0 billion, or \$11.21 per diluted share. For 4Q23, “increased volume and core pricing gains offset by lower fuel surcharge revenue led to flat operating revenue,” UP said. “Operating revenue of \$6.2 billion was flat driven by increased volume and core pricing gains offset by reduced fuel surcharge revenue and business mix. Revenue carloads were up 3%. The operating ratio was 60.9%, an improvement of 10 basis points. Operating income of \$2.4 billion was flat.”

23. NS 4Q23 Concludes ‘Challenging, Transformational’ Year (Updated, TD Cowen Insight)

For Norfolk Southern (NS), fourth-quarter 2023 railway operating revenue was \$3.1 billion, down 5%, or \$164 million, compared with fourth-quarter 2022, marking the end of a “challenging, yet transformational year” for NS, the Class I reported Jan. 26. Among other fourth-quarter results: 1. Income from railway operations was \$808 million inclusive of a \$150 million charge associated with the Eastern Ohio Incident, a 32% decline compared to \$1.2 billion in fourth-quarter 2022. 2. Adjusting for the Eastern Ohio Incident, income from railway operations was \$958 million, down \$223 million, or 19%, compared to fourth-quarter 2022. 3. Diluted earnings per share were \$2.32, a decline of 32% compared to fourth-quarter 2022. 4. Adjusting for the Eastern Ohio Incident, diluted earnings per share were \$2.83, down \$0.59, or 17%, compared to fourth-quarter 2022. For the calendar year 2023, railway operating revenues were \$12.2 billion, down 5%, or \$589 million, compared with 2022.

24. U.S. Department of Transportation Announces \$31.4 Million Loan to Upgrade Critical Rail Lines in California

The U.S. Department of Transportation (DOT) on January 29, 2024 announced that its Build America Bureau (Bureau) provided a \$31.4 million Railroad Rehabilitation and Improvement Financing (RRIF) loan to the Sierra Northern Railway (SNR) and Mendocino Railway (MRY) to expand and rehabilitate rail infrastructure in the Central Valley and Mendocino County, California. By providing RRIF and Transportation Infrastructure Finance and Innovation Act (TIFIA) loans, the Bureau helps communities expedite infrastructure projects and reduce project costs.

25. Arctic Blast Was Brutal

The Arctic Blast has been our singular focus over the past few weeks, starting with foreboding anticipation, then some historical context, and we’ve now reached the quantifying the damage stage. The extreme cold snap primarily fell in the reporting week ending Jan. 19, and the table above simply compares the metrics in that week to the one prior. It’s sequential, not YoY. It’s not overly scientific, but we think the picture it paints is accurate ... and ugly for some. We’ve also ordered the networks by our view on the degree of operational damage on a full system basis, and “full system” has become an important caveat for the two Canadian railroads. With the acquisition of Kansas City Southern, Canadian Pacific has become much more geographically diversified (there was no arctic air in Veracruz), which dilutes its full system numbers. If you removed KCS from the mix, CP’s velocity and dwell impact would no doubt be much closer to CN. CN really took it on the chin here, and we’ll learn something from this event because the network recovery will be the first true test of the operating team since Ed Harris’s retirement.

HIGHWAY TRANSPORTATION

1. Truckers in B.C. call for more training after latest overpass strike

A Metro Vancouver truckers' group said the recent rash of trucks with high loads smashing into highway overpasses cannot be stemmed by tougher punishments alone. Gagan Singh with the United Truckers Association said his group would write to the provincial government in the coming days asking for better training and support for drivers who have to handle oversized loads but may lack the skills and equipment to measure them. His remarks come after a semi-trailer operated by Chohan Freight Forwarders crashed into a Highway 99 overpass in Delta on Dec. 28, embedding the load of girders into the concrete and snarling traffic for hours. The Transport Ministry said it was the sixth such incident involving Chohan in two years, and announced the suspension of the firm's safety certificate, putting its 65 vehicles off B.C. roads as of December 29, 2023 afternoon. Singh said responsibility cannot fall on drivers alone, but must be shared with trucking firms, the companies shipping over-height cargo and the provincial government.

2. Ontario's 407 ETR to hike rates from Feb. 1, 2024

The 407 ETR is ending a four-year rate freeze by announcing a new rate schedule that comes into effect on Feb. 1, 2024. It is going to cost more to drive a truck on Ontario's Highway 407 ETR (express toll route). All other fees remain unchanged, according to a news release. The highway is an all-electronic open-access toll route in the Greater Toronto Area, spanning 108 kilometres from Burlington in the west to Pickering in the east. 407 ETR's rate schedule is updated annually, however tolls were frozen at February 2020 levels at the onset of the Covid-19 pandemic. Implementing the 2024 rate schedule comes as traffic levels continue to stabilize with more drivers resuming regular activities like commuting to and from work. "407 ETR remains committed to providing the exceptional service we're known for both on and off the road," said 407 ETR president and CEO, Javier Tamargo. Toll rates vary by the section of the highway driven, day of the week, time of day, direction of travel and weight of vehicle.

3. BC acts on overpass crash, suspends fleet

The British Columbia government has suspended operations for a trucking fleet after one of its trucks crashed into an overpass on December 28, 2023. Chohan Freight Forwarders Ltd had its safety certificate suspended on December 29th, 2023 meaning the company's entire fleet of 65 commercial vehicles will be unable to operate in B.C. as well, the driver and the carrier responsible will face the toughest fines in any Canadian jurisdiction. The outcome of the investigation could lead to further action. The government recently announced new penalties for fleets that repeatedly collide with transport infrastructure, like bridges. In cases where a company has a history of non-compliance, including previous infrastructure crashes, enforcement measures will become increasingly severe. This includes potential suspension and possible cancellation of a company's carrier safety certificate, essentially preventing their operation in B.C.

4. Couriers and Messengers Services Price Index, November 2023

The Couriers and Messengers Services Price Index (2019=100) is now available for Nov., 2023 on Statcan website. The index is 136.6 down 1 point from October 2023 and up 1.3 points from last November 2022.

5. Bankruptcies, fraud and a missing trucker: Key trucking stories in 2023

While the August 2023 demise of less-than-truckload carrier Yellow Corp. monopolized headlines in both mainstream and industry media in 2023 after the 99-year-old trucking firm filed for Chapter 11 bankruptcy protection — the largest filing in U.S. trucking history — a number of smaller trucking

HIGHWAY TRANSPORTATION Canada

1. Truckers in B.C. call for more training after latest overpass strike, January 2, 2024, www.todaystrucking.ca
2. Ontario's 407 ETR to hike rates from Feb. 1, 2024, Dec. 29, 2023, www.todaystrucking.ca
3. BC acts on overpass crash, suspends fleet, January 2, 2024, www.insidelogistics.ca
4. Couriers and Messengers Services Price Index, November 2023, Jan. 2, 2024, www.statcan.gc.ca
5. Bankruptcies, fraud and a missing trucker: Key trucking stories in 2023, January 2, 2024, www.freightwaves.com
6. Gordie Howe International Bridge to open in Fall 2025, Jan 4, 2024, www.todaystrucking.com
7. OTA Discussion Paper Highlights Land Use Planning opportunities to support the Trucking Industry, January 4, 2024, www.ontruck.ca
8. Nikola closes 2023 with 35 hydrogen trucks sold, January 4, 2023, www.insidelogistics.ca
9. North American Transborder Freight up 3.5% in October 2023 from October 2022, January 4, 2024, www.bts.gov
10. Walmart puts electric trucks on the road in BC, January 8, 2024, www.freightwaves.ca
11. Manitoba commits \$12M to improve intersection that was site of deadly bus crash, January 8, 2024, www.todaystrucking.ca
12. Cummins invests in Rocky Mount Engine Plant, January 8, 2024, www.todaystrucking.ca
13. Metro Supply Chain buys SCI Group from Canada Post, Purolator, January 9, 2024, www.todaystrucking.ca
14. Truck Drivers Nearly Unanimous that Highway Safety Problems Persist in N. Ontario, January 11, 2024, www.ontruck.ca
15. Biden-Harris Administration Announces \$623 Million in Grants to Continue Building Out Electric Vehicle Charging Network, January 11, 2024, www.dot.gov
16. 'Stagnant' trucking market expected in 2024: FTR, January 11, 2024, www.todaystrucking.ca
17. Toronto roads ranked third slowest in the world, January 12, 2024, www.todaystrucking.ca
18. PTTAC aims to standardize truck driver training across Canada, January 15, 2024, www.todaystrucking.ca
19. BCTA launches Clean Carrier Program, January 16, 2024, www.todaystrucking.ca
20. Revolution Staffing acquires Driver Force, January 17, 2024, www.insidelogistics.ca
21. Biden-Harris Administration Announces Grants to Upgrade Almost 4,500 Public Electric Vehicle Chargers, January 18, 2024, www.dot.gov
22. Fleets are committed to EVs, but cost and charging remain challenges, January 16, 2024, www.insidelogistics.ca
23. Stars aligning for a busy year in M&A: Tenney Group, January 19, 2024, www.todaystrucking.ca
24. Truckload rates near floor, LTL rates to stay flat, freight index says, January 19, 2024, www.insidelogistics.ca
25. Urban public transit, November 2023, January 22, 2024, www.statcan.gc.ca
26. Predicting trucking's evolution through 2050 and its impact on the aftermarket, January 22,

companies and brokerages also called it quits or sought bankruptcy protection after a brutal year in the freight industry. Other FreightWaves stories focused on fraud investigations and the mysterious disappearance of an Iowa truck driver, who was last seen by his family on Nov. 20.

6. Gordie Howe International Bridge to open in Fall 2025

The Gordie Howe International Bridge project team has confirmed that construction completion is planned for September 2025, with the first vehicles expected to travel across the bridge that fall. Originally, the \$5.7-billion project connecting Windsor, Ont., and Detroit, Mich., across the Detroit River, was scheduled for completion in November 2024 with opening anticipated by the end of the year, according to a news release. However, the project experienced disruptions due to the Covid-19 pandemic. Like most public-private partnership (P3) contracts, the contract between the Windsor-Detroit Bridge Authority (WDBA) and Bridging North America (BNA) provides for the schedule and cost impacts of certain risks to be shared. As a result, WDBA and BNA have agreed to amend the contract to include the new September 2025 construction completion date, new measures to ensure this date is achieved, and an updated overall contract value of \$6.4 billion.

7. OTA Discussion Paper Highlights Land Use Planning opportunities to support the Trucking Industry

The reliance on trucking services to support communities and the modern supply chain in Ontario, has resulted in tremendous growth in trucking operations and an unprecedented demand for the need to establish transportation terminals within municipalities and other strategic locations. The discussion paper, commissioned by the association and endorsed by its Board of Directors identifies the challenges in finding available lands that are suitable for trucking operations but counters these challenges with a host of recommendations that can bring the trucking industry and the planning process in line with each other to support economic development and job creation. “Trucking is the lifeblood of the Ontario economy. There is not a domestic or export portion of the economy that is not reliant on the trucking industry and its services so the goal with this exercise is to understand how we can all work together, both governments and industry on solutions through the planning process that will benefit the province and its communities”, said Geoff Wood, Sr. VP, Policy, Ontario Trucking Association. Historically, trucking operations have been located in areas where they can effectively run their businesses and successfully service their customers, and where the real-estate economics could be supported by supply chain economics, but competing land-use factors are changing this equation at rapid pace and it requires necessary attention.

8. Nikola closes 2023 with 35 hydrogen trucks sold

Nikola sold 35 of its hydrogen fuel cell electric trucks (FCEVs) in the North American market in 2023. Nikola Corporation, through its HYL A brand, in 2023 produced 42 and wholesaled 35 Class 8 Nikola FCEVs. Of the seven trucks produced but not wholesaled, three are being used in an extended field test with a fleet partner, two are in continued validation and engineering and two are being used for service training/customer demos. “What an effort by our dedicated and passionate team, to create — and deliver — what we believe is the only U.S. designed and assembled Class 8 hydrogen fuel cell electric truck on the road today,” said Nikola CEO Steve Girsky. “Our pioneering spirit is what made it possible to wholesale these 35 trucks to our dealers for customers in the U.S. and Canada. We thank our employees, customers and partners for this achievement, and look forward to delivering more trucks in 2024.”

9. North American Transborder Freight up 3.5% in October 2023 from October 2022

The major highlights of transborder freight in October 2023 between the U.S. and North American countries Canada and Mexico are as follows: 1. Total transborder freight: \$138.5 billion of transborder freight moved by all modes of transportation, up 3.5% compared to October 2022; 2. Freight between the U.S. and Canada totaled \$65.7 billion, up 0.5% from October 2022; 3. Freight between the U.S. and Mexico totaled \$ 72.8 billion, up 6.4% from October 2022; 4. Trucks moved \$88.3 billion of freight, up 5.9% compared to October 2022; 5. Railways moved \$18.2 billion of freight, up 6.2% compared to October 2022; 6. Vessels moved \$11.1 billion of freight, up 3.1% compared to October 2022; 7. Pipelines moved \$10.0 billion of freight, down 12.0% compared to October 2022; 8. Air moved \$4.9 billion of freight, down 3.7% compared to October 2022; and 9. Multiple modes declined due to decreases in value of oil and energy commodities. Transborder freight between Canada and US were as follows: 1. Truck \$37.1b; 2. Rail \$9.8b; 3. Pipeline \$9.3b; 4. Air \$3.1b; and 5 Vessel \$2.5b. The statistics in this release may not reflect changes in tonnage moved.

10. Walmart puts electric trucks on the road in BC

Walmart Canada has put three class 8 Freightliner eCascadia battery electric trucks on the road in British Columbia. Based out of a Surrey distribution centre that as specially designed to support alternative-fuel vehicles, the trucks will

2024, www.todavstrucking.ca

27. Seventh straight quarter of contraction recorded for transport sectors, January 22, 2024, www.insidelogistics.ca

28. FHWA Announces \$729 Million to Repair Roads and Bridges Damaged by Natural Disasters and Extreme Weather Events, January 23, 2024, www.dot.gov

29. Canada’s heavy-duty aftermarket grew in 2023, but headwinds remain, January 23, 2024, www.todavstrucking.ca

30. North American Transborder Freight up 4.1% in November 2023 from November 2022, January 25, 2024, www.bts.gov

31. Nikola hydrogen FCEV completes Edmonton-Calgary round-trip without refuelling, January 26, 2024, www.todavstrucking.ca

32. Improving Market for Truckers: Trucknews.com, January 26, 2024, www.ontruck.com

33. Carriers Must Evolve to Curb Cybercrimes: Report, January 26, 2024, www.cantruck.ca

be delivering grocery products to regional stores. Walmart said in a release that the trucks will allow it to save over 100,000 litres of fuel a year. Each one will travel about 11,000 kilometres annually.

11. Manitoba commits \$12M to improve intersection that was site of deadly bus crash

The Manitoba government is promising \$12 million to improve a highway intersection where a crash last year killed 17 people. The government has released an outside review of the intersection of Highways 1 and 5, where a semi-trailer collided with a minibus carrying a group of seniors to a casino. The report says one safety risk at the intersection is a narrow median, which can be tricky for vehicles making left turns or going straight through. The report outlines three potential changes — widening the median, turning the intersection into a roundabout or restricting left turns in some directions.

12. Cummins invests in Rocky Mount Engine Plant

Cummins has announced it will spend US\$580 million to ready its Rocky Mount Engine Plant (RMEP) for production of its fuel-agnostic engine platform. “We are excited to be driving continued growth within Nash County and creating jobs that rely on high caliber technology for the future,” Steve Pinkston, Cummins Rocky Mount Engine Plant manager said in a release. “Cummins is focused on Destination Zero and getting there as quickly as possible. We need engagement from federal, state, and local governments like Nash County to achieve our goals and we are grateful for their support. When we receive engagement from local partners like this, it helps us move faster toward a more sustainable future.” The plant has produced more than 5 million engines over 40 years. “This investment is not just about engines; it’s a testament to our unwavering commitment to the community and our vision for a sustainable and impactful future,” added Pinkston. “It means RMEP and Cummins are here to stay and we take pride in being the one of the largest employers in the tri-county area.”

13. Metro Supply Chain buys SCI Group from Canada Post, Purolator

Canada Post and Purolator have agreed to sell their third-party logistics firm SCI Group to Montreal-based Metro Supply Chain. Canada Post says the move comes as it transforms to better meet the needs of Canadian consumers and businesses. SCI Group provides warehousing fulfillment, supply chain offerings, and transportation management. It has more than 75 locations and 4 million square feet of warehousing. “SCI has been a strong performer for the Canada Post Group of Companies over the years,” said Doug Ettinger, president and CEO, Canada Post. “We’re pleased this move will help to further strengthen an established Canadian logistics leader, while allowing us to focus our efforts on continuing to lead in the rapidly growing ecommerce market.”

14. Truck Drivers Nearly Unanimous that Highway Safety Problems Persist in N. Ontario

Based on escalating concerns by the carrier and truck driver community about deteriorating highway safety and infrastructure conditions in Northern Ontario, OTA recently launched a comprehensive survey, in which nearly all (96%) of respondents identified persistent problems for travellers and businesses the region. The survey, which included about 680 participants, asked truck drivers – particularly those who drive and operate on highways 11 and 17 – to play a critical role in identifying safety and infrastructure problems as well as outlining potential solutions to the issues affecting Northern Ontario.

15. Biden-Harris Administration Announces \$623 Million in Grants to Continue Building out Electric Vehicle Charging Network

The Biden-Harris Administration on January 11, 2024 announced \$623 million in grants to help build out an electric vehicle (EV) charging network across the U.S., which will create American jobs and ensure more drivers can charge their electric vehicles where they live, work, and shop. This is a critical part of the Biden Administration’s goal of building out a convenient, affordable, reliable and made-in-America national network of EV chargers, including at least 500,000 publicly available chargers by 2030 ensuring that EVs are made in America with American workers.

16. ‘Stagnant’ trucking market expected in 2024: FTR

Steady consumer spending habits and falling diesel prices could prolong a capacity surplus affecting the trucking industry well into 2024. Speaking during a State of Freight webinar by FTR, Avery Vise, vice-president of trucking for the industry forecaster, said there’s not much to be excited about in the current freight environment, but nor is a collapse in trucking demand anticipated.

17. Toronto roads ranked third slowest in the world

Toronto was ranked the third slowest city in the world, according to the 2023 TomTom Traffic Index released on January 10, 2024. The survey included 387 cities in 55 countries, which were ranked based on the average time it takes to drive 10 km in the city. While Vancouver ranked 32nd on the list, and Winnipeg 93rd, Toronto made the Top 3 most congested cities list. According to the report, drivers spend around 29 minutes for a 10-kilometer drive.

18. PTTAC aims to standardize truck driver training across Canada

Commercial truck driver training businesses have launched the Professional Truck Training Alliance of Canada (PTTAC) with a mandate to standardize and support driver training programs offered in all provinces and territories. PTTAC was founded by chairman Jim Campbell, president and general manager of First Class Training Centre in

Winnipeg, and like-minded stakeholders. The alliance's objectives are to: make commercial truck driving a recognized Red Seal trade in Canada; create nationally approved truck training instructor programs; remove barriers and bring accessibility to funding and tuition for truck driver training programs; and ensure truck training schools are standardized and compliant, provincially and nationally.

19. BCTA launches Clean Carrier Program

The B.C. Trucking Association (BCTA) launched its eco-certification initiative, the Clean Carrier Program. The program's mission is to acknowledge and certify motor carriers that have committed to environmentally responsible practices, fostering a cleaner and greener future for the trucking industry. The program is a roadmap for carriers dedicated to sustainable operations, BCTA said in a news release. By participating, carriers stand to gain benefits, including enhanced cost efficiency, increased market competitiveness, and strengthened relationships with stakeholders. It offers a platform for carriers to showcase their dedication to environmental responsibility and provides resources to support their journey. In a move toward fostering sustainable supply chains, the program also extends an opportunity to shippers. Through an independent process, shippers can include sustainable hiring practices when contracting a B.C.-based transportation company for goods movement. This program provides shippers with a tool to align their logistics operations with sustainability goals.

20. Revolution Staffing acquires Driver Force

Revolution Staffing has acquired Driver Force based in Birmingham, Ala. Revolution Staffing supplies professional commercial drivers to private fleets and trucking companies. It collaborates with sister companies Essential Staffing, specializing in direct hire/permanent placement and office staff on a temporary basis, and Help Unlimited, focusing on skilled trades and labor roles in the light industrial market. The consolidated efforts of these three companies will serve clients across North America through dedicated local recruitment teams in Toronto, Montreal, Orlando, and now Birmingham, Revolution announced.

21. Biden-Harris Administration Announces Grants to Upgrade Almost 4,500 Public Electric Vehicle Chargers

On January 18, 2024, the Biden-Harris Administration announced it is awarding nearly \$150 million to 24 grant recipients in 20 states to make existing electric vehicle (EV) charging infrastructure more reliable. The grants will be used to repair or replace nearly 4,500 existing EV charging ports and in some cases, bring them up to code. These targeted investments complement the tens of billions in Federal and private sector funding that is building out a national EV charging network, and support good paying jobs across the country installing, maintaining, and repairing EV infrastructure. Today's announcement is the latest milestone towards the President's goal of bringing at least 500,000 public EV chargers online by the end of the decade.

22. Fleets are committed to EVs, but cost and charging remain challenges

Major fleets have committed to making at least 30 percent of their new heavy-duty truck purchases zero-emission vehicles, including electric models, by 2030. However, many companies are daunted by the extra upfront cost of electric trucks, as well as challenges like the limited availability of chargers. The benefits of electric trucks, increased availability of more makes and models, investments in charging infrastructure, the rapid improvement of the upfront and long-term economics, and policy incentives all point to a near-term boom in their adoption.

23. Stars aligning for a busy year in M&A: Tenney Group

Rapidly deteriorating market conditions last year put the brakes on many mergers and acquisitions, but valuations are normalizing, paving the way for more activity this year. Speaking on a Truckload Carriers Association webinar this week, Spencer Tenney, CEO of M&A advisors Tenney Group, said total transaction values of deals in 2023 were down 82% from the prior year, while the total number of deals fell 33%. "There was a short supply of sellers. We've never seen anything like this. You've got the freight market causing major problems, 12 interest rate hikes since 2022, the rapid normalization of equipment valuations and a very dramatic swing in terms," Tenney said in recapping the year that was. Many prospective sellers put the brakes on the process after suffering 20-30% performance declines month over month after entering into a letter of intent, he added. The deals that did get done were structured to minimize the buyer's risk. "Deal structure played a major role," Tenney said. "The only way to bracket risk is through the deal structure, or don't do a deal at all. Buyers and sellers were creatively trying to understand what are the real risks – not blanketing everything – and putting structure around those defined risks in a way that allowed the seller to participate in the upside of whatever they produce, but also provide some protection for the buyer should conditions get worse."

24. Truckload rates near floor, LTL rates to stay flat, freight index says

For the first quarter of 2024 LTL rates are expected to remain relatively flat with subtle fluctuations, and truckload rates to continue hovering near the floor established in Q2 of last year. For parcel, expect seasonal growth consistent with established patterns, but at more muted levels than previous years as lower overall demand clashes with the general rate increase (GRI) and other carrier pricing actions. AFS Logistics, an industry-leading third-party logistics (3PL) provider, and TD Cowen released these predictions as part of their first quarter (Q1) 2024 release of the TD

Cowen/AFS Freight Index, a snapshot with predictive pricing for truckload, less-than-truckload (LTL) and parcel transportation markets.

25. Urban public transit, November 2023

In November 2023, Canada's urban transit systems logged 135.3 million passenger trips, the second highest monthly total since restrictions came into force in March 2020 to combat the COVID-19 pandemic. This compares with passenger trips of 117.3 million a year ago. Overall ridership reached 82.1% of November 2019 levels, marking the second highest rate of recovery since the onset of the pandemic. Total revenues excluding subsidies for November 2023 was 327.1 compared to 285.6 a year ago.

26. Predicting trucking's evolution through 2050 and its impact on the aftermarket

By 2050, 30.6% of Class 8 trucks will be battery-electric and only 10% diesels, with 357,000 of the 6.3 million Classes 6-8 trucks on the road autonomous. If that scenario plays out as predicted by Derek Kaufman, managing partner, Schwartz Advisors, who was speaking at the Heavy-Duty Aftermarket Dialogue this week, then the aftermarket parts industry will look vastly different than it does today. By this time, Kaufman said, autonomous trucks will no longer have a cab, and aerodynamics will be built around the trailer itself. Battery-electric trucks will account for 46% of new truck sales, but batteries will be solid state, more powerful than today, more compact, and will offer better range. The U.S. heavy-duty parts aftermarket will be worth about US\$90 billion by then – about double its value today – and of that, battery-electric trucks will command about \$31 billion of that while those autonomous trucks will represent an aftermarket parts value of about \$9.1 billion – or 10% of the total market. Dave Kalvelage, senior market analyst with MacKay & Company, added by this time, 53% of Class 8 trucks on the road will be fueled by new technologies while less than half are powered by internal combustion engines. But Kaufman said the industry should push the EPA and California Air Resources Board (CARB) to give greater consideration to clean technologies beyond battery-electric. “We believe the BET (battery-electric truck) solutions they are pushing are outstripping the infrastructure that supports them,” he said, noting renewable fuels should receive more consideration.

27. Seventh straight quarter of contraction recorded for transport sectors

Activity across the transport and logistics sector remained in contraction territory for the seventh straight quarter in Q4 of 2023. Tradeshift's latest Index of Global Trade Health, which analyses the flow of purchase orders and invoice traffic across global supply chains, revealed that transaction volumes across the transport and logistics sector grew at six points below its expected range in Q4. Activity levels across the manufacturing sector also stayed in contraction territory in Q4, rising at six points below the baseline. Total trade activity across all sectors showed modest signs of improvement in Q4, albeit from a relatively low base. Global trade transaction volumes improved to four points below the baseline in Q4, having sunk to six points below anticipated levels in the previous quarter.

28. FHWA Announces \$729 Million to Repair Roads and Bridges Damaged by Natural Disasters and Extreme Weather Events

As part of the U.S. Department of Transportation's coordinated approach to help states repair and rebuild roads and bridges, the Federal Highway Administration on January 23, 2024 announced it is providing \$729.4 million to 34 states, the District of Columbia, the U.S. Virgin Islands and Puerto Rico. The funds will be used to support repair needs following natural disasters, extreme weather, or catastrophic events, such as hurricanes, flooding and mudslides. These events will receive federal reimbursement funding under the FHWA's Emergency Relief (ER) program as the result of major disaster declarations.

29. Canada's heavy-duty aftermarket grew in 2023, but headwinds remain

The total value of Canada's heavy-duty parts aftermarket, including Classes 6-8 trucks, trailers, and container chassis, increased 3.2% last year to CDN\$5.87 billion. And MacKay & Company anticipates it will grow by the same amount this year, bringing its value to \$6.06 billion. Travis Kokenes, research manager for MacKay & Company, updated attendees on the state of the aftermarket at Heavy-Duty Aftermarket Dialogue in Dallas, Texas, this week. Canadian Class 8 retail sales, at 30,00 units, were up 3% in 2023, while trailer sales rose 2% to 42,000 units and Classes 6/7 retail sales totaled 9,000 sales, up 13%. Canada now has 375,000 Class 8 trucks on the road, but will shed 0.4% of its size to 373,000 units by 2028, MacKay & Company suggests.

30. North American Transborder Freight up 4.1% in November 2023 from November 2022

Total Transborder Freight (U.S. and North American countries Canada and Mexico) by Border in November 2023, Compared to November 2022 were as follows: 1. Total transborder freight: \$131.0 billion of transborder freight moved by all modes of transportation, up 4.1% compared to November 2022; 2. Freight between the U.S. and Canada totaled \$65.2 billion, up 2.8% from November 2022; 3. Freight between the U.S. and Mexico totaled \$65.8 billion, up 5.4% from November 2022; 4. Trucks moved \$82.2 billion of freight, up 4.6% compared to November 2022; 5. Railways moved \$17.3 billion of freight, up 4.8% compared to November 2022; 6. Pipelines moved \$10.5 billion of freight, down 4.7% compared to November 2022; 7. Vessels moved \$10.4 billion of freight, up 11.5% compared to November 2022; 8. Air moved \$4.9 billion of freight, down 3.7% compared to November 2022; and 9. Multiple modes declined due to

decreases in value of oil and energy commodities. US-Canada trade in both directions were as follows: 1. Truck \$36.0 billion; 2. Air \$9 billion; 3. Pipeline \$10 billion; 4. Rail \$3.1 billion; and 5. Vessel \$2.9 billion.

31. Nikola hydrogen FCEV completes Edmonton-Calgary round-trip without refueling

The Alberta Motor Transport Association's (AMTA) Nikola hydrogen fuel-cell-electric vehicle (FCEV) completed a 519-km round-trip from Edmonton to Calgary without needing to refuel and with hydrogen in the tank to spare. "The most important takeaway of this event is the vehicle has been proven for longhaul operations," said Robert Harper, AMTA's acting president. "We used 61% of the hydrogen on board." "This trip was an incredibly exciting milestone for Nikola," said Nicole Rose, head of public relations and corporate communications, Nikola. "This distance of trip was the first to do so on a single tank of fuel in our Nikola hydrogen FCEV in Canada. The driver executed the run with an efficiency to make the trip with less than a full tank of fuel." Bison Transport's Dave Lowe, a professional driver with 27 years experience, completed the run on Jan. 24.

32. Improving Market for Truckers: Trucknews.com

The latest data reflects improving conditions for truckers, an uptick in for-hire truck tonnage to end the year, and a jump in spot market prices, reports Trucknews.com's James Menzies in a recent economic report. The December 2023 reading of the American Trucking Associations' (ATA) For-Hire Truck Tonnage Index is in and 2023 was the worst year for freight since 2020, and the only year since then in which tonnage contracted. This despite ending the year on an up-note in December 2023, up 2.1% from November 2023. Year over year, tonnage was down 0.5% in December 2023, marking the 10th straight YoY decrease. Additional data from the ATA, specifically its Technology & Maintenance Council (TMC) and service management platform Decisiv, confirms that parts and labor expenses rose 1.9% in the third quarter of 2023.

33. Carriers Must Evolve to Curb Cybercrimes: Report

Proactive measures and advanced technologies are key to mitigating emerging cybersecurity threats that besiege trucking companies, says a report from the National Motor Freight Traffic Association (NMFTA). According to Trucknews.com the firm's 2024 Trucking Cybersecurity Trends Report states that cybersecurity professionals and organizations must remain vigilant and adaptable in the face of challenges, as new threats emerge while existing ones evolve. Hackers frequently use phishing scams to gain access to a carrier's enterprise system. Once they can access the system, they use that access to launch ransomware attacks. Phishing attacks generally take the form of deceptive communications that trick people into clicking links or opening attachments. Trucking companies' best preparation for, and defense against, these attacks is to train their people on how to spot a phishing attack, the NMFTA says. Often phishing e-mails come from lookalike URLs, or from e-mails that pretend to be from known contacts. The report warns that threats directly aimed at trucks must not be overlooked. As technology continues to evolve in the cab and everywhere around the truck, so does the potential for those elements to be compromised.

GENERAL TRANSPORTATION

Canada

1. St. Louis region advances as a global freight hub through investments

In a year marked with continuous supply chain disruptions, the St. Louis region achieved unprecedented collaboration and infrastructure advancements in 2023, reinforcing its role as a key player in the national and global freight network. The St. Louis Regional Freightway compiled a summary of some of the most significant developments that occurred in 2023 that either enhanced the region's freight infrastructure or highlighted the strength of the bi-state area's industrial market. "St. Louis is a world-class freight hub, and we retain this position by constantly looking for ways to improve our freight infrastructure and strengthen our resiliency so this region is ready to deliver as supply chains continue to be impacted by any number of disruptions," said Mary Lamie, Executive Vice President of Multi Modal Enterprises at Bi-State Development and head of the St. Louis Regional Freightway. "The investments made over the past year support future competitiveness and growth in the region."

2. Quebec reaches tentative deals on working conditions with all common front labour unions

GENERAL TRANSPORTATION

Canada

1. St. Louis region advances as a global freight hub through investments, Dec. 28, 2023, www.ajot.com
2. Quebec reaches tentative deals on working conditions with all common front labour unions, December 26, 2023, www.cbc.ca
3. DOT Launches New Advisory Committee to Help Shape Federal Approach to Transportation Innovation, December 29, 2023, www.dot.gov
4. US becomes top LNG exporter after overtaking Australia and Qatar, January 2, 2024, www.ajot.com
5. Weather to be biggest supply chain risk in 2024: report, January 3, 2023, www.insidelogistics.ca
6. Prince Rupert Port Authority Releases its 2022 Sustainability Report, January 4, 2024, www.rupertport.com
7. National tourism indicators, third quarter 2023, January 5, 2024, www.statcan.gc.ca
8. Canada's Trans Mountain Pipeline expansion reportedly 95% complete, January 8, 2024, www.ajot.com
9. Bureau of Transportation Statistics Releases Final Update to the Government Transportation Financial Statistics, January 5, 2023, www.bts.gov

The Quebec government has reached tentative agreements on working conditions with all the unions that are part of a labour alliance representing about 420,000 public sector workers. The last deal was reached overnight December 26, 2023 with a union representing around 1,000 professional workers at several school boards near Montreal. Quebec now has tentative deals with all the unions that make up the common front — the FTQ, the CSN, the APTS and the CSQ — which launched a series of strikes starting in November 2023 that shut down schools and delayed surgeries. These deals are tentative because they have been reached with the negotiating committees but have not yet been presented to the unions' delegates. Once those delegates have approved the agreement, it becomes an agreement in principle, after which it is presented to the entire membership of the unions, where, if approved, it becomes a full agreement.

3. DOT Launches New Advisory Committee to Help Shape Federal Approach to Transportation Innovation

The U.S. Department of Transportation (DOT) on December 29, 2023 announced the launch of the Transforming Transportation Advisory Committee (TTAC) to provide advice to DOT and the Secretary of Transportation about plans and approaches for transportation innovation. Advisory committee members were selected for their ability to provide diverse perspectives across sectors, geographies, and areas of expertise. The 27 TTAC members include experts from academia, think tanks, the public sector, labor, and industry covering topics including automation, cybersecurity, safety, accessibility, law, government, entrepreneurship, privacy, equity, and more.

4. US becomes top LNG exporter after overtaking Australia and Qatar

The US has become the world's biggest exporter of liquefied natural gas for the first time, with 2023 shipments overtaking leading suppliers Australia and Qatar. The US exported 91.2 million metric tons of LNG in 2023, a record for the country, according to data through Dec. 31 compiled by Bloomberg. The expanded output was due to last year's restart of Freeport LNG in Texas, which had been shuttered for months following a June 2022 fire and explosion. Qatar, the top LNG supplier in 2022, saw its volumes shrink for the first time since at least 2016, with a 1.9% decline dropping the nation into third spot for shipments of the super-chilled fuel. Australia ranked second, with exports that were little changed from 2022. This year, two new LNG projects in the US are due to start production: Venture Global LNG Inc.'s Plaquemines facility in Louisiana and Golden Pass in Texas, a joint venture between Exxon Mobil Corp. and QatarEnergy. At full capacity, the two projects would add another 38 million tons a year from the US.

5. Weather to be biggest supply chain risk in 2024: report

In its 2024 risk report, everstream.ai said a US\$1 billion weather-causes event happens every three weeks, on average, in the United States. In the 1980s these events only occurred every four months. The report highlights the drought affecting the Panama Canal as an example of weather-related disruptions. "From 2024 onwards, very large tanker carriers (VLTC) may avoid the Panama Canal altogether due to increased waiting times. Other shipping operators will reroute cargo via the Suez Canal or the Cape of Good Hope," the report suggested. Winter storms are another weather risk. Global ocean temperatures begin 2024 at record highs, and, combined with a rising trend in disruptive winter weather (snow, ice, wind), this elevates the risk of more harmful storms. Changes in precipitation distribution patterns will also create increased drought and flooding around the world.

6. Prince Rupert Port Authority Releases its 2022 Sustainability Report

The Prince Rupert Port Authority is proud to officially release its 2022 Sustainability Report. PRPA is building a better Canada by growing trade, and partnerships mean everything to us.

7. National tourism indicators, third quarter 2023

Tourism spending in Canada grew 0.5% in the 2023 third quarter, following a 1.1% increase in the second quarter. Growth in the third quarter was driven by a 2.3% increase in foreign tourism demand, while domestic tourism demand declined 0.2%. Passenger air transport (+0.8%) contributed most to the growth in tourism spending, followed by spending on non-tourism products (+0.8%), such as groceries and clothing, and pre-trip expenditures (+2.1%), such as recreational vehicles, pleasure crafts and camping equipment. Growth was partially offset by declines in food and

10. Canadian international trade in services, November 2023, January 9, 2023, www.statcan.gc.ca
11. NRF economist says 2023's consumer spending growth is 'not necessarily sustainable' in 2024, January 9, 2024, www.ajot.com
12. USDOT Announces Progress Delivering Results for America, January 10, 2024, www.dot.gov
13. Leading indicator of international arrivals to Canada, December 2023, December 11, 2024, www.statcan.gc.ca
14. November 2023 Freight Transportation Services Index (TSI) Down 1.0% from the Previous Month but Up 0.9% from the Same Month Last Year, January 11, 2024, www.bts.gov
15. Borderlands: Nearshoring forecast to boost US-Mexico trade in 2024, January 21, 2024, www.freightwaves.com
16. DOT Readout of Supply Chain Stakeholder Call on Red Sea Disruptions, January 19, 2024, www.dot.gov
17. Travel between Canada and other countries, November 2023, January 23, 2024, www.statcan.gc.ca
18. Federal use of Emergencies Act against Freedom Convoy unreasonable, judge rules, January 23, 2024, www.todaystrucing.ca
19. Red Sea crisis: Suez Canal is not the only 'choke point' that threatens to disrupt global supply chains, January 23, 2024, www.insidelogistics.ca
20. Government of Canada invests in projects in Quebec to improve supply chains, January 24, 2024, www.tc.gc.ca
21. Biden-Harris Administration Announces \$4.9 Billion in Funding for Transformational Infrastructure Projects, January 23, 2024, www.dot.gov
22. Borderlands: Continental AG announces \$90M manufacturing facility in Mexico, January 28, 2024, www.freightwaves.com
23. UN body expresses "profound concerns" over trade disruptions, January 26, 2024, www.insidelogistics.ca

beverage services (-0.6%), recreation and entertainment (-0.4%), vehicle fuel (-0.3%) and passenger rail transport (-3.7%). Tourism gross domestic product (GDP) edged down 0.1% in the 2023 third quarter, following a 0.5% increase in the second quarter. Tourism jobs (+0.1%) edged up in the 2023 third quarter, following a 1.1% increase in the previous quarter.

8. Canada's Trans Mountain Pipeline expansion reportedly 95% complete

Work on Canada's Trans Mountain Pipeline expansion project is reportedly over 95% complete. When it comes onstream, the expansion will nearly triple the pipeline's current 300,000 barrels per day (b/d) capacity to move crude oil from oil sands in landlocked Alberta to Canada's Pacific Coast for export to new customers in Asia or along the U.S. West Coast. Although initially expected to come online early this year, the project could be delayed as much as two years by a recent ruling, according to the project's owner. The existing Trans Mountain Pipeline currently offers one avenue for waterborne crude oil exports out of Canada by moving crude oil from Edmonton in Alberta to Burnaby, a port near Vancouver on the coast of British Columbia. The expansion project aims to increase the pipeline's current capacity by 590,000 b/d, bringing the pipeline to a capacity of 890,000 b/d. The Canadian government acquired the pipeline from Kinder Morgan for CA \$4.5 billion in 2018 and formed the Trans Mountain Corporation (TMC) to oversee and manage the pipeline and the expansion project. The pipeline expansion, which consists of added pipeline capacity that generally runs along a similar route to the current pipeline, has faced several legal challenges from environmental activists and Canadian First Nations groups.

9. Bureau of Transportation Statistics Releases Final Update to the Government Transportation Financial Statistics

The Bureau of Transportation Statistics (BTS) on January 5, 2024 released its [final update to the Government Transportation Financial Statistics](#) (GTFS), with data through 2021. The GTFS provides a set of maps, charts, and tables with information on transportation-related revenue and expenditures for all levels of government, including federal, state, and local, and for all modes of transportation. This year BTS will transition to a new product called Transportation Public Finance Statistics (TPFS). TPFS builds on the GTFS foundation by increasing the granularity of the estimates and will include a preliminary release in June of 2024 (2022 estimates) as well as an annual release in December 2024. State, local, and federal governments play an important role in the U.S. transportation system, as providers of transportation infrastructure and as administrators and regulators of the system. In 2021, government spending in the U.S. on building, rehabilitating, maintaining, operating, and administering the transportation system totalled just over \$340 billion, after adjusting for inflation. GTFS captures this spending and revenue and helps users understand these considerable inflows and outflows of funds.

10. Canadian international trade in services, November 2023

Canada's monthly international trade in services deficit narrowed from \$1.2 billion in October to \$1.0 billion in November. Overall, exports of services increased 1.0% to \$16.6 billion, while imports of services edged down 0.1% to \$17.6 billion. Exports of commercial services were up 1.0% to \$10.6 billion in November. Exports of travel services increased 1.7% to \$4.2 billion, on higher spending by both US and non-US resident visitors in Canada. The slight decrease in imports occurred as a result of lower payments of travel services (-2.4%) and commercial services (-0.5%) in November. However, these decreases were mostly offset by higher imports of transportation services (+4.6%), largely in the form of maritime transportation services for goods entering Canada.

11. NRF economist says 2023's consumer spending growth is 'not necessarily sustainable' in 2024

Consumers spent more than expected amid high inflation and high interest rates during 2023, but spending growth is likely to slow in 2024, National Retail Federation Chief Economist Jack Kleinhenz said on January 9, 2024. "The 2023 U.S. economy was marked in large measure by the impressive resiliency of the consumer," Kleinhenz said. "A year ago, many commentators were skeptical and calling for a recession, but the recession never came. With each passing month, consumers kept spending despite inflation and higher borrowing costs." "Nonetheless, those tailwinds are not necessarily sustainable," Kleinhenz said. "Tighter credit conditions along with higher borrowing costs continue to be in place now that we've turned the page on the annual calendar, and employment reports confirm that the labor market expansion is slowing." Kleinhenz's comments came in the January issue of NRF's Monthly Economic Review, which said 2023 spending was supported by a tight labor market, a "wealth effect" from a rise in equity and home prices, and savings built up during the pandemic. Inflation-adjusted gross domestic product grew a "solid" 2.3% over 2022. December's unemployment rate of 3.7% was one of the lowest in decades. And the 4.5% year-over-year increase in wages outstripped the year-end 2.6% rate of inflation as measured by the Personal Consumption Expenditures Price Index followed by the Federal Reserve. Unadjusted for inflation, consumer spending was up 5.2% y-o-y in October and November, boosted by a 7% year-year-over increase in disposable personal income. Core retail sales – excluding automobile dealers, gasoline stations and restaurants – were up 3.7% year over year for the first 11 months of the year.

12. USDOT Announces Progress Delivering Results for America

The U.S. Department of Transportation (DOT) on January 10, 2024 released a report updating the public on the Biden-Harris Administration efforts to improve America's transportation infrastructure. The report includes updates on DOT's key priorities, including rail safety, strengthening consumer protections for air travelers, and the implementation of the Bipartisan Infrastructure Law (BIL), among others. "We are delivering for the American people with the resources now available because President Biden's Bipartisan Infrastructure Law reversed decades of underinvestment in our transportation systems," said Transportation Secretary Pete Buttigieg. "The public placed great trust in DOT, and we are honoring that trust by making improvements to transportation that get people and goods to where they need to be more safely, affordably, and sustainably while creating good-paying jobs." The report is available on its website.

13. Leading indicator of international arrivals to Canada, December 2023

In December 2023, the number of international arrivals to Canada, including non-resident trips and Canadian-resident return trips, increased from December 2022. The number of non-resident arrivals at Canadian airports totalled 732,300 in December 2023, up 19.9% from December 2022. Meanwhile, the number of Canadian-resident return trips from abroad reached 1.6 million, a 16.7% increase from December 2022. In December 2023, US residents took 997,700 trips to Canada through land ports, up 27.0% from the same month in 2022. The number of Canadian-resident return trips from the United States via the same land ports also rose, up 31.5% year over year to 1.7 million trips in December 2023. To further explore current and historical data in an interactive format, please visit the [Frontier Counts: Interactive Dashboard](#).

14. November 2023 Freight Transportation Services Index (TSI) Down 1.0% from the Previous Month but Up 0.9% from the Same Month Last Year

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 1.0% in November from October 2023, falling after a one-month increase, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). From November 2022 to November 2023 the index rose 0.9%.

15. Borderlands: Nearshoring forecast to boost US-Mexico trade in 2024

Cross-border operators expect 2024 to be a busy year, with more tractor-trailers passing between the United States and Mexico daily, carrying everything from cars and auto parts to electronics and fresh produce. With shippers attempting to return to normal freight seasonality amid uncertain economic conditions, Mexico is positioned to take advantage of potential nearshoring opportunities, according to Sri Laxmana, vice president of Americas at freight broker and 3PL giant C.H. Robinson. "Mexico is an important region for us for various reasons. We do feel that the macroeconomics and geopolitical landscape of the world is certainly changing," Laxmana told FreightWaves. Almost 40% of shippers have already taken advantage of nearshoring manufacturing operations to Mexico, or are considering it, according to C.H. Robinson's 2023 shipper survey and nearshoring is forecast to boost US-Mexico trade in 2024.

16. DOT Readout of Supply Chain Stakeholder Call on Red Sea Disruptions

On Thursday, January 18, 2024, as part of the U.S. Department of Transportation's Office of Multimodal Freight Infrastructure and Policy's ongoing coordination efforts amid attacks in the Red Sea, DOT convened stakeholders from the federal government as well as the shipping, trucking, rail, port, and other supply chain industries to provide updates and to hear concerns from the industry about mariner safety and supply chain impacts. DOT has been in frequent communication with freight industry partners since December 2023 regarding the impacts of the situation in the Red Sea, and this call is part of a regular series of stakeholder listening sessions the Department has been hosting on the matter.

17. Travel between Canada and other countries, November 2023

In November 2023, the number of non-resident visitors to Canada accounted for 85.1% of the number observed in November 2019, before the COVID-19 pandemic. Meanwhile, the number of returning Canadian residents reached 88.5% of the level recorded in November 2019. Residents of overseas countries took 300,400 trips to Canada in November 2023, and US residents took 1.2 million trips. At the same time, Canadian residents returned from 3.7 million trips abroad.

18. Federal use of Emergencies Act against Freedom Convoy unreasonable, judge rules

A judge has ruled it was unreasonable for the Liberal government to use the *Emergencies Act* to quell "Freedom Convoy" protests in the national capital and at key border points two years ago. In a decision released Jan. 23, Federal Court Justice Richard Mosley said invocation of the Act led to the infringement of constitutional rights. The Canadian Civil Liberties Association and several other groups and individuals had argued in court that Ottawa ushered in the emergency measures without sound statutory grounds. The government contended the steps taken to deal with the pan-Canadian turmoil were targeted, proportional, time-limited and compliant with the *Charter of Rights and Freedoms*. The Public Order Emergency Commission, which carries out a mandatory review after invocation of the *Emergencies Act*, found the government met the very high legal standard for using the law. Mosley heard arguments in court over three days last April. In his ruling, Mosley said he revisited the events with the benefit of

hindsight and a more extensive record of the facts and the law than the government had when it proclaimed a public order emergency.

19. Red Sea crisis: Suez Canal is not the only ‘choke point’ that threatens to disrupt global supply chains

Global supply chains have become a lot more important for everyday life since the 1970s, so the impact of disruptions in the Red Sea is now much bigger. Also, crucially, Bab el-Mandeb is only one of several maritime choke points that are vital for world trade. But Suez Canal is not the only choke point these are shown in the figure. Another of the main choke points is currently suffering severe disruptions. The Panama Canal, which connects the Atlantic and Pacific, is experiencing an intense drought. Now water levels in the Panama Canal are so low that shipping capacity is severely limited. Shipping giant Maersk recently shifted cargo to the railway line running in parallel to the canal.

20. Government of Canada invests in projects in Quebec to improve supply chains

On January 24, 2024, the Minister of Transport and Quebec Lieutenant, Pablo Rodriguez, announced an investment of over \$2.6 million for two projects in Quebec under the National Trade Corridors Fund. The digital project and study selected for investment intend to harness data and technological solutions to generate supply chain efficiencies along key Canadian trade corridors. The Government of Canada will contribute: 1. Up to \$2.6 million to the Centre interuniversitaire de recherche en analyse des organisations (CIRANO) to implement a data science and knowledge transfer hub for trade and intermodal transportation in the St. Lawrence-Great Lakes Corridor. 2. Up to \$50 000 to CargoM to implement an automated tool to identify available indoor and outdoor storage spaces in the Greater Montreal area which will improve fluidity and reduce supply chain congestion in the Port of Montreal area.

21. Biden-Harris Administration Announces \$4.9 Billion in Funding for Transformational Infrastructure Projects

On January 25, 2024, President Biden and U.S. Transportation Secretary Pete Buttigieg announced more than \$4.9 billion in funding from President Biden’s Investing in America agenda to 37 projects through two major discretionary grant programs, the National Infrastructure Project Assistance (Mega) grant program and the Infrastructure for Rebuilding America (INFRA) grant program. The Mega program, which was created by the Bipartisan Infrastructure Law and provides \$5 billion in funding through 2026, is focused on projects that are uniquely large, complex and difficult to fund under traditional grant programs. For this round of funding, the Biden-Harris Administration is investing in 11 different projects that will generate national and regional economic, mobility, and safety benefits.

22. Borderlands: Continental AG announces \$90M manufacturing facility in Mexico

Continental AG announces \$90M manufacturing facility in Mexico; 3PL Outerspace opens fulfillment operations in Arizona; South Texas border logistics park announces expansion; and CBP seizes tramadol at Laredo’s World Trade Bridge. Continental AG announces \$90M manufacturing facility in Mexico German tire and industrial parts manufacturing giant Continental AG announced it is investing \$90 million in a hydraulic hose factory in Mexico. The facility will initially create 200 jobs and be located in the west-central Mexican city of Aguascalientes. It will be the company’s largest plant in the country once completed, according to a news release. Construction of the 914,932-square-foot factory is scheduled to be finished by the end of 2025.

23. UN body expresses “profound concerns” over trade disruptions

The United Nations Conference on Trade and Development (UNCTAD) has expressed profound concerns over the escalating disruptions in global trade. The international organization pointed out in particular to the geopolitical tensions affecting shipping in the Black Sea, recent attacks on shipping in the Red Sea affecting the Suez Canal and the impact of climate change on the Panama Canal. UNCTAD underscored the critical role maritime transport plays as the backbone of international trade, responsible for over 80 percent of the global movement of goods.