

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*

February 2023, 222

Associate Editor: Gerald Robertson*

AIR TRANSPORTATION

1. Air Canada Cargo Continues Investing to Improve Operations, Products and Services

Air Canada Cargo on January 31, 2023 unveiled a renewed customer reception area at its London Heathrow facility, marking one of the latest investments in improving its services to customers around the globe. The reception area is the first part of a wider project to modernize many parts of its London facility, which is Air Canada Cargo's largest European hub. The revitalized reception area in this self-handled facility provides a new customer area to receive trucked shipments. Incorporating many design elements found in Air Canada's premium offerings at airports, the London Heathrow cargo customer reception area includes a living wall featuring three types of locally-sourced mosses that help purify the air in the reception area, reflecting Air Canada's sustainability efforts. The new space also includes improved workstations for Air Canada Cargo customer service agents to better serve clients. This improvement to our London Heathrow facility is the first of many investments in both customer-facing areas and our operations. Air Canada Cargo also inaugurated its new cold chain facility at its global hub at Toronto-Pearson as an integral part of a multi-year modernization program at the facility. It introduced temperature controlled Releye containers, part of the AC Absolute solution, for transporting pharmaceuticals, and began offering specialized equine transport services on its freighters.

2. Porter Airlines touches down in Ottawa and Montreal with first Embraer E195-E2 flights connecting Toronto Pearson

Porter Airlines is celebrating its first flights with the new Embraer E195-E2 between Toronto Pearson International Airport, and Ottawa International Airport and Montreal-Trudeau International Airport. The introduction of E195-E2 service on these routes, which are also served by Porter's Dash 8-400 operations at Billy Bishop Toronto City Airport, means passengers have more choice when travelling to and from the Greater Toronto Area. As it expands from Pearson Airport, Porter will be the only airline with comprehensive networks at both of Toronto's main airports, focusing on regional flights via Billy Bishop and other top North American destinations at Pearson. Additional flights at Pearson begin this month.

3. U.S. Airlines' December 2022 Fuel Cost per Gallon Down 5.3% from November 2022; Aviation Fuel Consumption Down 5.2% from Pre-Pandemic December 2019

The Department of Transportation's Bureau of Transportation Statistics (BTS) on February 1, 2023 released U.S. airlines' December 2022 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.471 billion gallons of fuel, 5.3% more fuel than in November 2022 (1.398 billion gallons) and 5.2% less than in pre-pandemic December 2019. The cost per gallon of fuel in December 2022 (\$3.14) was down 18 cents (5.3%) from November 2022 (\$3.32) and up \$1.14 (57.0%) from December 2019. Total December 2022 fuel expenditure (\$4.63B) was down 0.3% from November 2022 (\$4.64B) and up

AIR TRANSPORTATION Canada

1. Air Canada Cargo Continues Investing to Improve Operations, Products and Services, January 31, 2023, www.aircanada.ca
2. Porter Airlines touches down in Ottawa and Montreal with first Embraer E195-E2 flights connecting Toronto Pearson, February 1, 2023, www.flyporter.com
3. U.S. Airlines' December 2022 Fuel Cost per Gallon Down 5.3% from November 2022; Aviation Fuel Consumption Down 5.2% from Pre-Pandemic December 2019, February 1, 2023, www.bts.gov
4. New autonomous aircraft offers 181 kg payload, February 1, 2023, www.insidelogistics.ca
5. Air Cargo Closes 2022 Near Pre-Pandemic Levels, February 6, 2023, www.iata.org
6. Passenger Demand Recovery Continued in December 2022 & for the Full Year, February 6, 2023, www.itat.org
7. Agriculture drone market to hit revenue of US\$ 14,237.6 million by 2033, February 6, 2023, www.ajot.com
8. Porter Airlines soars coast-to-coast with first Embraer E195-E2 flights connecting Vancouver and Toronto Pearson, February 7, 2023, www.flyporter.ca
9. Air Travel Consumer Report: November Consumer Complaints Increase from October, February 7, 2023, www.bts.gov
10. U.S. Cargo and Passenger Airlines Lost Few Jobs in December 2022; Employment Remains 4.7% Above Pre-Pandemic December 2019, December 7, 2023, www.bts.gov
11. Air Canada Cargo and Emirates SkyCargo Sign Agreement to Enhance Networks and Reach, February 10, 2023, www.aircanada.ca
12. November 2022 U.S. Airline Traffic Data, February 9, 2023, www.bts.gov
13. Heathrow Airport workers plan to ballot for strikes, union says, February 12, 2023, www.ajot.com
14. WestJet brings new U.S. destinations and enhanced domestic connectivity to summer schedule as airline's new growth strategy takes flight, February 13, 2023, www.westjet.ca

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

48.7% from pre-pandemic December 2019. Year-over-year increases in fuel consumption and cost for December 2022 include 3.0% in domestic fuel consumption, 51.4% in domestic fuel cost, and 47.0% in cost per gallon. Domestic fuel consumption increased 4.2% from November to December in 2022, while decreasing 5.0% from December 2019. Increased fuel consumption reflects an increase in airline passenger travel over the same period.

4. New autonomous aircraft offers 181 kg payload

Autonomous aircraft builder Pyka has unveiled what it calls the world's largest zero-emission cargo airplane and the first autonomous vehicle of its class. The Pelican Cargo has a range of up to 200 miles (322 km), a payload of up to 400 pounds (181 kg) in 66 cubic feet (1.9 cubic metres) of cargo volume and a nose-loading system with a sliding cargo tray. The company says the drone will help provide connectivity for remote rural communities, and ensure fast and reliable access to vital goods and supplies for areas in need.

5. Air Cargo Closes 2022 Near Pre-Pandemic Levels

The International Air Transport Association (IATA) released data for global air freight markets showing that 2022 full-year demand for air cargo took a significant step back from 2021 levels but was close to 2019 performance. Global full-year demand in 2022, measured in cargo tonne-kilometers (CTKs*), was down 8.0% compared to 2021 (-8.2% for international operations). Compared to 2019, it was down 1.6% (both global and international). Capacity in 2022, measured in available cargo tonne-kilometers (ACTKs), was 3.0% above 2021 (+4.5% for international operations). Compared to 2019 (pre-COVID) levels, capacity declined by 8.2% (-9.0% for international operations). December saw a softening in performance with global demand 15.3% below 2021 levels (-15.8% for international operations). Monthly cargo demand tracked below 2021 levels from March 2022. Global capacity was 2.2% below 2021 levels (-0.5% for international operations). This was the tenth consecutive monthly contraction compared to 2021 performance. 2022 ended with mixed signals: 1. Global new export orders, a leading indicator of cargo demand, have stayed at the same level since October. For major economies, new export orders are shrinking except in Germany, the US, and Japan, where they grew. 2. Global goods trade decreased by 1.5% in November, down from a 3.4% increase in October. 3. The Consumer Price Index for G7 countries indicated inflation tracking at 6.8% for December 2022. The 0.6 percentage point drop compared to November 2022 (7.4%) was the largest over the course of year. Inflation in producer (input) prices reduced to 12.7% in October 2022, its lowest level so far in 2022.

6. Passenger Demand Recovery Continued in December 2022 & for the Full Year

On February 6, 2023, the International Air Transport Association (IATA) announced that the recovery in air travel continued in December 2022 and for the full year. **Total traffic** in 2022 (measured in revenue passenger kilometers or RPKs) rose 64.4% compared to 2021. Globally, full year 2022 traffic was at 68.5% of pre-pandemic (2019) levels. December 2022 total traffic rose 39.7% compared to December 2021 and reached 76.9% of the December 2019 level. **International traffic** in 2022 climbed 152.7% versus 2021 and reached 62.2% of 2019 levels. December 2022 international traffic climbed 80.2% over December 2021, reaching 75.1% of the level in December 2019. **Domestic traffic** for 2022 rose 10.9% compared to the prior year. 2022 domestic traffic was at 79.6% of the full year 2019 level. December 2022 domestic traffic was up 2.6% over the year earlier period and was at 79.9% of December 2019 traffic. "The industry left 2022 in far stronger shape than it entered, as most governments lifted COVID-19 travel restrictions during the year and people took advantage of the restoration of their freedom to travel. This momentum is expected to continue in the New Year, despite some governments' over-reactions to China's re-opening," said Willie Walsh, IATA's Director General.

7. Agriculture drone market to hit revenue of US\$ 14,237.6 million by 2033

15. WestJet announces largest network expansion from Edmonton in airline's history with launch of new U.S. routes and enhanced domestic connectivity, February 13, 2023, www.westjet.ca

16. Air Canada Cargo Joins Pharma.Aero Collaboration Platform, February 13, 2023, www.aircanada.ca

17. Porter Airlines launching non-stop Ottawa-Charlottetown flights, February 13, 2023, www.flyporter.ca

18. The Canadian Transportation Agency issues important administrative monetary penalties to WestJet and Sunwing, February 13 and 14, 2023, www.cta-otc.gc.ca

19. Canadian Transportation Agency issues preliminary decision about traveling with an emotional support animal, February 13, 2023, www.cta-otc.gc.ca

20. Air Canada Reports Fourth Quarter and Full Year 2022 Financial Results, February 17, 2023, www.aircanada.ca

21. Quarterly civil aviation statistics, third quarter 2022, February 17, 2023, www.statcan.gc.ca

22. Air Canada shares drop after airline reports record revenue, but rising expenses, February 17, 2023, www.financialpost.ca

23. Air Canada Launches Digital Identification; First Airline to Test Facial Recognition Technology for Identification Verification in Canada, February 20, 2023, www.aircanada.ca

24. Air Canada Wins 2023 HRD Innovative HR Teams Award for Forward-Thinking HR Programs, February 21, 2023, www.aircanada.ca

25. Porter touches down in Calgary, February 22, 2023, www.flyporter.com

26. Air Canada and United Airlines to Offer More than 260 Daily Transborder Flights and Two New Routes this Summer, Feb 23, 2023, www.aircanada.ca

27. Monthly civil aviation statistics, December 2022, February 23, 2022, www.statcan.gc.ca

28. Air Canada and United Airlines to Offer More than 260 Daily Transborder Flights and Two New Routes this Summer, February 24, 2023, www.aircanada.ca

The global agriculture drone market is estimated at US\$ 3,807 million in 2023 and is expected to expand at an impressive CAGR of 14.1% during the forecast years of 2023-2033. Drones are being used in many ways to help farmers. From being able to seed planting, crop mapping and spraying drones make life a whole lot easier. Drones are essentially flying cameras and do real time livestock monitoring. This is useful when farmer as the pilot can now have an aerial view of the location and help with irrigation monitoring and management. Many people find it hard to cast a line more than 50 feet away from where they are standing. Drone Casting is actually the main thing people use drones for while farming. Agriculture drones were originally developed to get timely information and to enhance decision making through accurate. Owing to the above factor, the demand for agriculture drone will be highly lucrative in the anticipated year this is going to happen through sales of agriculture drone through various sales channel, which will create plethora of opportunity to direct reach out the consumer around the world period. Key Takeaways from Market Study were: 1. The global agriculture drone market is projected to expand at an impressive CAGR of 14.1% and be valued at US\$ 14,237.6 million by 2033; 2. The market witnessed 7.2% CAGR for the period of 2018-2022; 3. Under Offering, fixed wing agriculture drone will dominate the market and are valued at US\$ 795.7 million in 2023; 4. North America and Europe will dominate the market with 32.1% and 36.1% market share in 2023; 5. By coverage distance, 6-9 Km coverage distance drone is likely to represent 32.1% market share in 2023; and 6. Agriculture drone sales due to 3-6 Km coverage distance is expected gain maximum share of 28.3% in 2023. “Increasing Use of Rotary Wing Drone in Farms for Fertilizer Spraying will Provide Stable Revenue Opportunities” says a Fact according to a MR analyst.

8. Porter Airlines soars coast-to-coast with first Embraer E195-E2 flights connecting Vancouver and Toronto Pearson

Porter Airlines is celebrating its first flights with the new Embraer E195-E2 between Toronto Pearson International Airport (YYZ) and Vancouver International Airport (YVR). For the first time in its 16-year history, Porter is bringing its distinguished approach to service to Western Canada, while also debuting a remarkable new concept for economy air travel.

9. Air Travel Consumer Report: November Consumer Complaints Increase from October

The U.S. Department of Transportation on February 7, 2023 released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of November 2022 for on-time performance, consumer complaints, mishandled baggage, and mishandled wheelchairs and scooters. There was a 23% increase in air travel service complaints from October to November, after complaints decreased by 12% from September to October.

10. U.S. Cargo and Passenger Airlines Lost Few Jobs in December 2022; Employment Remains 4.7% Above Pre-Pandemic December 2019

U.S. airline industry (passenger and cargo airlines combined) employment decreased to 784,310 workers in December 2022, 27 (0.003%) fewer workers than in November 2022 (784,337) and 34,820 (4.65%) more than in pre-pandemic December 2019 (749,490). U.S. scheduled-service passenger airlines employed 499,171 workers in December or 64% of the industry-wide total. Passenger airlines added 261 employees in December for a twentieth consecutive month of job growth dating back to May 2021. Southwest Airlines led scheduled passenger carriers, adding 374 employees; United added 367; and Sky West added 275. U.S. cargo airlines employed 280,376 workers in December, 36% of the industry total. Cargo carriers lost 266 employees in December 2022. FedEx, the leading air cargo employer, decreased employment by 331 jobs.

11. Air Canada Cargo and Emirates SkyCargo Sign Agreement to Enhance Networks and Reach

Air Canada Cargo and Emirates SkyCargo have signed a Memorandum of Understanding (MoU) to deliver more benefits to their air freight customers around the world. Under the terms of the MoU, Air Canada Cargo and Emirates SkyCargo will work closely on a number of initiatives, which include expanding cargo interline options and block space agreements, pending any required regulatory approvals. These enhancements aim to offer freight customers of both airlines access to more capacity on a larger combined global network. Air Canada Cargo will have access to Emirates SkyCargo’s high frequency distribution network through the belly-hold of Emirates scheduled passenger flights to over 140 global destinations, as well as the additional capacity offered by 11 freighters currently in the Emirates fleet. In return, SkyCargo will have access to over 60 cities in Canada and more than 150 cities across five continents through Air Canada Cargo thanks to a fleet of Boeing 767 freighters and the belly-hold capacity of Air Canada’s scheduled passenger flights. Both airlines bring particular experience in handling unique cargo, such as oil and gas drilling equipment, car parts and pharmaceuticals on their dedicated fleet of freighters or passenger aircraft. “We are thrilled to be further strengthening our cargo relationship with Emirates.

12. November 2022 U.S. Airline Traffic Data

U.S. airlines carried 76.2 million systemwide (domestic and international) scheduled service passengers in November 2022, seasonally adjusted, according to the Bureau of Transportation Statistics’ (BTS), up 0.3% from October 2022. BTS reported 66.7 million domestic passengers and 9.5 million international passengers on U.S. airlines flights in

November 2022. U.S. airline traffic reports are filed monthly with BTS. Tables that accompany this release can be found on the BTS website for summary data since 2016 and complete data since 2000.

13. Heathrow Airport workers plan to ballot for strikes, union says

Heathrow Airport's security, engineering and firefighting staff represented by the Unite Union will next week begin balloting for strikes, adding pressure to UK's transport network which has been hit by a wave of industrial action. More than 3,000 members of UK's Unite Union will start voting on Feb. 17, with the ballot closing on March 17. These workers had rejected a 10% pay increase, the union said in an emailed statement on February 11, 2023. "If the workers vote for industrial action, strikes could coincide with the Easter getaway," according to the Unite statement. On February 19, 2023, the RMT union behind rail strikes across Britain since last summer rejected another set of pay offers. It threatened to stage more strikes "for as long as it takes." As many as half a million workers walked out in the UK earlier this month, affecting operations across airports, ports, mainline stations and schools.

14. WestJet brings new U.S. destinations and enhanced domestic connectivity to summer schedule as airline's new growth strategy takes flight

WestJet on February 13, 2023 unveiled 20 new routes and three new destinations to the airline's summer schedule. Offering a comprehensive network of connectivity between Western Canada and the United States, WestJet's summer network additions feature new non-stop service to Washington Dulles, Detroit and Minneapolis, with new routes added to Atlanta, Austin, Chicago, Nashville and Seattle. In line with the airline's previously announced strategic direction, WestJet is also expanding domestic travel options across Canada with increased frequencies and options to travel from coast-to-coast, and everywhere in between.

15. WestJet announces largest network expansion from Edmonton in airline's history with launch of new U.S. routes and enhanced domestic connectivity

WestJet on February 13, 2023 revealed significantly increased transborder connectivity from Edmonton International Airport, with new non-stop service to Minneapolis, Minnesota and Seattle, Washington as part of its 2023 summer schedule. In addition, WestJet's summer schedule from Edmonton will revitalize the city's domestic connectivity from coast-to-coast with the airline unveiling new routes from Edmonton to London, Moncton, Charlottetown and the resumption of nonstop flights to Ottawa, Montreal, Nanaimo and Penticton. WestJet's renewed commitment to the city of Edmonton will see the airline's service increase by almost 50 per cent this summer when compared to 2022. Additionally, this announcement underpins WestJet's strategic ambitions to grow its presence across Western Canada and further strengthens Canada's east to west connectivity.

16. Air Canada Cargo Joins Pharma.Aero Collaboration Platform

Air Canada Cargo on February 13, 2023 announced that it has become a member of the Pharma.Aero cross-industry collaboration platform. Working with other key stakeholders in the pharmaceutical transportation sector, Air Canada Cargo will contribute to and benefit from the group's knowledge and expertise to further develop its handling of pharmaceutical shipments. "As we continue to expand our freighter fleet and with the continued enhancements to our [cold chain handling capabilities](#), this participation in a new avenue for critical insight into pharmaceutical shipments is an important step forward. Pharma.Aero will increase our ability to collaborate with an ever-growing list of industry experts to share ideas and gather knowledge on ways to further strengthen our expertise in shipping this vital cargo," said Matthieu Casey, Managing Director – Commercial at Air Canada Cargo.

17. Porter Airlines launching non-stop Ottawa-Charlottetown flights

Porter Airlines is launching direct service between Ottawa International Airport and Charlottetown Airport, with flights taking off on May 17, 2023. The new daily, non-stop route is to be served by 78-seat De Havilland Dash 8-400 aircraft. Porter's genuine hospitality and elevated onboard service, including premium snacks, and free beer and wine in glassware will be experienced by all passengers. PorterReserve, a new, all-inclusive fare, also provides dedicated airport check-in, early boarding, enhanced legroom, two checked bags and the ability to change flights without a fee.

18. The Canadian Transportation Agency issues important administrative monetary penalties to WestJet and Sunwing

The Canadian Transportation Agency (CTA) has issued administrative monetary penalties (AMPs) against WestJet, totalling \$112,800 and against Sunwing, totalling \$126,000. The first was related to the flight disruptions during the summer of 2022, designated enforcement officers (DEOs) of the CTA found that WestJet failed to provide passengers, within 30 days, the compensation they were entitled to as prescribed by subsection 19(4) of the Air Passenger Protection Regulations (APPR). The second was related to the flight disruptions over the holiday period in December 2022, DEOs of the CTA found that Sunwing failed to comply with section 13 of the APPR, which require the airline to provide information to passengers when a delay or cancellation occurs.

19. Canadian Transportation Agency issues preliminary decision about traveling with an emotional support animal

The Canadian Transportation Agency (Agency) issued on December 14, 2022 a [decision](#) related to Emotional Support Animals (ESAs). The Agency found on a preliminary basis that acceptance of a species other than a dog as an ESA would cause undue hardship for carriers within the federal transportation network. The Agency proposes conditions to manage the risks inherent in the carriage of emotional support dogs (ESDs), balancing the interests of persons with disabilities who use ESDs with those of the industry and the travelling public, including other persons with disabilities who use service dogs. The parties have the opportunity to show cause why the Agency should not finalize these preliminary findings by filing further [submissions](#) through the process set out at the end of this preliminary decision. Parties and other interested persons who wish to comment on the preliminary findings can consult the decision for further instructions.

20. Air Canada Reports Fourth Quarter and Full Year 2022 Financial Results

Air Canada reported its 2022 fourth quarterly and yearly results on February 17, 2023. The major highlights are: 1. Record fourth quarter passenger revenues of \$4.062 billion, double than the fourth quarter 2021 and about two per cent higher than fourth quarter 2019; 2. Record fourth quarter operating revenues of \$4.680 billion, 71 per cent higher than fourth quarter 2021 and about six per cent higher than fourth quarter 2019; 3. Operating losses of \$28 million in the fourth quarter of 2022 and of \$187 million for the full year 2022; 4. Adjusted EBITDA of \$389 million in the fourth quarter of 2022 and of \$1.457 billion for the full year 2022; 5. Adjusted EBITDA margin of 8.3 per cent for the fourth quarter of 2022 and of 8.8 per cent for the full year 2022; 6. Total liquidity of over \$9.8 billion at December 31, 2022. Michael Rousseau, President and Chief Executive Officer of Air Canada said "We are pleased with our fourth quarter and full year 2022 financial results. We reported record fourth quarter passenger and operating revenues, surpassing our results from a year ago and those of the fourth quarter of 2019. This was due to solid demand and yield environments across our network. This progress was also a result of the dedication and hard work of our employees who safely transported more than two million customers during a holiday period challenged by severe winter weather across North America, and to our entire team who successfully executed on our strategy. I warmly thank them."

21. Quarterly civil aviation statistics, third quarter 2022

Total operating revenue for the 24 largest Canadian air carriers totalled \$8.0 billion in the third quarter of 2022, significantly higher than the same quarter of 2021 and almost equal to the revenue generated in the third quarter of 2019. In the third quarter of 2022, passenger revenue remained the primary revenue source for airlines, at \$7.0 billion. Air cargo generated \$593.0 million, or 7.4% of the total, roughly twice the share of revenue prior to the COVID-19 pandemic. Following 10 consecutive quarters of losses, Canadian air carriers reported positive net operating income (\$750 million) for the first time since the start of the pandemic. In the third quarter of 2022, Canadian carriers transported 21.2 million passengers on scheduled and charter services, more than twice the number flown during the same period in 2021.

22. Air Canada shares drop after airline reports record revenue, but rising expenses

Air Canada posted a net profit and reported record passenger and operating revenues for the fourth quarter of 2022, but it wasn't enough to assuage investors who drove the airline's shares down more than eight per cent. Air Canada expects to be back at pre-pandemic travel levels by next year as demand returns.

23. Air Canada Launches Digital Identification; First Airline to Test Facial Recognition Technology for Identification Verification in Canada

Air Canada announced it has launched digital identification, becoming the first airline in Canada with approval to offer customers the safety and convenience of a new option using facial recognition technology to confirm identification. In a pilot project currently underway, Air Canada's digital identification is now available for customers departing from Vancouver International Airport (YVR) when boarding select flights to Winnipeg, and for eligible customers entering the Air Canada Café at Toronto Pearson International Airport. Air Canada plans to expand digital identification options to select Canadian airports and Maple Leaf Lounges as part of its pilot project phase.

24. Air Canada Wins 2023 HRD Innovative HR Teams Award for Forward-Thinking HR Programs

On February 21, 2023 it was reported that Air Canada was recently named a winner of the 2023 HRD Innovative HR Teams award. The award from leading human resource publication HRD Canada, recognizes organizations which have taken a leadership position by successfully implementing innovative and forward-thinking human resource programs.

25. Porter touches down in Calgary

Porter Airlines on February 22, 2023 celebrated the inaugural flights between Toronto Pearson International Airport and Calgary International Airport. The airline now flies to the two largest cities in Alberta as it grows its national network. Service between Calgary and Toronto Pearson begins with two daily, non-stop return flights, increasing to three daily as of June 1, 2023. The flights are operated with Porter's new Embraer E195-E2 aircraft. The 132-seat aircraft features an all-economy, two-by-two configuration, which makes Porter the only airline with no middle seats on this route.

26. Air Canada and United Airlines to Offer More than 260 Daily Transborder Flights and Two New Routes this Summer

Air Canada and United Airlines announced on February 23, 2023 that, through their enhanced transborder joint business agreement, they will offer industry leading capacity and new routes between Canada and the U.S. for summer 2023 – including a new United-operated flight between Washington-Dulles and Calgary and a new Air Canada-operated flight between Washington-Dulles and Vancouver. The carriers have collaboratively optimized their schedules, subject to applicable government and regulatory conditions, and added more flights to provide customers greater connectivity and more flexible flight times, with over 80 transborder codeshare routes and more than 260 daily flights.

27. Monthly civil aviation statistics, December 2022

Major Canadian airlines carried 6.1 million passengers on scheduled and charter services in December 2022, more than one-and-a-half times the same month in 2021 and 85.1% of the December 2019 level, before the COVID-19 pandemic. With traffic at 16.1 billion passenger-kilometres and capacity at 19.4 billion available seat-kilometres, the passenger load factor (the ratio of passenger-kilometres to available seat-kilometres) was 83.2% in December 2022, in line with pre-pandemic levels. Operating revenue earned in December 2022 reached pre-pandemic levels for the first time. Overall, in 2022, Level I carriers transported 62.7 million passengers, which was nearly triple the number of passengers from 2021 and almost three-quarters (73.4%) of the 2019 volume.

28. Air Canada and United Airlines to Offer More than 260 Daily Transborder Flights and Two New Routes this Summer

Air Canada and United Airlines announced on February 24, 2023 that through their enhanced transborder joint business agreement, they will offer industry leading capacity and new routes between Canada and the U.S. for summer 2023 – including a new United-operated flight between Washington-Dulles and Calgary and a new Air Canada-operated flight between Washington-Dulles and Vancouver. The carriers have collaboratively optimized their schedules, subject to applicable government and regulatory conditions, and added more flights to provide customers greater connectivity and more flexible flight times, with over 80 transborder codeshare routes and more than 260 daily flights.

WATER TRANSPORTATION

1. Port of Montreal: Accumulated container traffic 2003 Year to Date

The Port of Montreal released its container traffic (TEUs) for 2022 on January 30, 2023. Total traffic in terms of TEUs changed -0.31% i.e. to 1,722,704 from 1,728,114. Total import traffic for 2023 changed 1.62% i.e. to 850,969 from 837,407. Total export traffic for 2023 changed -2.13% i.e. to 871,735 from 890,706.

2. Drewry World Container Index - 02 Feb

The composite index has decreased by 1% this week, and has dropped by 78% when compared with the same week last year. The latest Drewry World Container Index (WCI) composite index of \$2,034 per 40-foot container is now 80% below the peak of \$10,377 reached in September 2021. It is 24% lower than the 10-year average of \$2,693, indicating a return to more normal prices, but remains 43% higher than average 2019 (pre-pandemic) rates of \$1,420. The average composite index for the year-to-date is \$2,085 per 40ft container, which is \$608 lower than the 10-year average (\$2,693 mentioned above). The composite index remained decreased by 1% at \$2,033.70 per 40ft container, and is 78% lower than the same week in 2022. Freight rates on Shanghai – Genoa dropped 2% or \$51 to \$2,727 per feu. Spot rates on Shanghai – Los Angeles and Shanghai – Rotterdam slid 1% each to \$2,056 and \$1,732 per 40ft box, individually. Similarly, rates on New York – Rotterdam and Rotterdam – New York fell 1% each to \$1,197 and \$6,262 per 40ft container, respectively. However, rates on Los Angeles – Shanghai rose 1% to \$1,137 per 40ft box. Rates on Rotterdam – Shanghai gained 3% to \$786 per feu. Rates on Shanghai – New York hovered around the previous week's level. Drewry expects small week-on-week reductions in rates in the next few weeks.

3. First section of Houston Ship Channel expansion complete

The Houston Ship Channel expansion project, also known as Project 11, continues to make significant progress. Port officials announced that dredging of the first segment extending from Bolivar Roads to Redfish, known as Segment 1A, is complete. The work was completed on schedule and on budget. Project 11's Segment 1A constitutes eleven and a half miles in the Bay. The expansion of

WATER TRANSPORTATION Canada

1. Port of Montreal: Accumulated container traffic 2003 Year to Date, January 30, 2023, www.portofmontreal.ca
2. Drewry World Container Index - 02 Feb, February 2, 2023, www.ajot.com
3. First section of Houston Ship Channel expansion complete, February 6, 2023, www.ajot.com
4. February could be slowest month since May 2020, February 8, 2023, www.freightwaves.com
5. Maersk sees global trade contracting as much as 2.5% in 2023, February 8, 2023, www.ajot.com
6. U.S. Great Lakes port officials recap 2022 shipping season, provide insights, February 9, 2023, www.ajot.com
7. Import demand continues to fall, Feb. 11, 2023, www.freightwaves.com
8. Shifts in consumer demand, shipping patterns lead to decline at Port of Long Beach, February 13, 2023, www.ajot.com
9. Port of Long Beach Volume Plummetts, February 14, 2023, www.railwayage.com
10. Port of Los Angeles moves 726,014 container units to start 2023, February 17, 2023, www.ajot.com
11. The Port of Montreal wants to invest in future infrastructure, February 20, 2023, www.ajot.com
12. Centerm Expansion Project complete, increasing Port of Vancouver container capacity, February 21, 2023, www.portofmetrovancovere.com
13. The Minister of Transport launches new program to further prevent aquatic

this area is expected to help increase safety, reduce congestion, and improve vessel transit times by approximately an hour by reducing daylight restrictions. “The completion of segment 1A is a great step forward to sustain the busiest waterway in the nation,” said Roger Guenther, Executive Director at Port Houston. “It moves Port Houston one step closer to handling unrestricted two-way traffic of larger vessels for the benefit of all stakeholders.” Project 11 is on track toward its goal of completion in 2025, an aggressive timeline that is necessary to accommodate the future needs of businesses and vessels. “The deepening and widening of the channel is a \$1 billion commitment to our growing economy, the generation of more jobs in our region, and the safety of the nearly 20,000 vessel transiting the Houston Ship Channel every year,” said Guenther. Work continues on the construction of Long Bird Island and is expected to be completed later in the year. The 4-5-acre new island habitat includes various land elevations, shore protection, oyster wave trips and a lagoon. Additional dredging is currently underway in the Redfish to Bayport portion of the Channel (Segment 1B) and work in this area is scheduled for 2024 completion.

4. February could be slowest month since May 2020

Port Tracker just cut its projections for early 2023. On February 6, 2022, it reduced its outlook for January-May imports by 3.5% versus estimates released a month ago. In January, U.S. containerized imports logged their highest month-on-month gain since last May, according to data from Descartes. Inbound volumes rose 7.2% versus December to 2,068,493 twenty-foot equivalent units, Descartes reported on January 8, 2023. That’s the good news. The bad news is that last month’s imports were almost identical to Descartes’ imports stats for January 2019 and 2020, pre-pandemic. The worse news is that the month of February 2023 looks especially weak, according to Port Tracker, which covers 12 U.S. ports and is published by the National Retail Federation and Hackett Associates.

5. Maersk sees global trade contracting as much as 2.5% in 2023

A.P. Moller-Maersk A/S, a bellwether for global trade, said “muted” economic growth is set to push the world’s container shipping volumes down by as much as 2.5% this year. The shipping market has normalized after two years of exceptionally high freight rates, when supply snarls and a shortage of vessels allowed Maersk and its peers to charge higher prices for their services and pocket record profits. The world is facing “a significant inventory adjustment” after a period where demand has been “absolutely exceptional,” Vincent Clerc, who took over as chief executive officer at the beginning of the year, said in a Bloomberg TV interview with Anna Edwards and Mark Cudmore. “As the world became a bit more normal after the pandemic, we’ve seen some of these demands slow down,” the CEO said. The Copenhagen-based container giant said it expects to grow in line with the market, as it unveiled guidance for 2023 which missed analyst estimates. Its shares initially fell as much as 5.7% in the Danish capital, before paring the loss and trading as much as 2.9% higher. Maersk, which handles about one-sixth of all the world’s containers, said on February 8, 2023 that demand in the container shipping industry is set to be in a range of negative 2.5% to positive 0.5%. That compares with a November prediction of a “broadly flat to negative” market. The “overconsumption of goods” is now leading to a “sharp correction” in demand, the Danish company said in a report. Its key market China is struggling and many emerging markets are “vulnerable,” as they enter the slowdown with high debt levels, Maersk added.

6. U.S. Great Lakes port officials recap 2022 shipping season, provide insights

With the Great Lakes-St. Lawrence Seaway System’s 2022 shipping season recently coming to a close, the Great Lakes Seaway Partnership is providing a closer look at the efforts that made last year’s successes possible. “Ports around the Great Lakes Seaway System demonstrated a high level of resiliency and a commitment to uplifting the American economy in 2022,” said Adam Tindall-Schlicht, Administrator, Great Lakes St. Lawrence Seaway Development Corporation. “The ability of the Seaway System to adapt and overcome various supply chain challenges domestically and internationally leaves me with a great sense of pride and optimism as we gear up for a strong 2023 shipping season.” 2022 saw notable increases in shipments of corn, soy, fertilizer, wind energy equipment, and a diverse range of other essential commodities on the Seaway System.

7. Import demand continues to fall

Average daily bookings for container imports were half of what they were in January of 2022 and 25% lower than pre-pandemic 2020. And while the Lunar New Year has depressed bookings over the past few weeks, there was little pre-holiday shipping buildup before the dead period. Should we feel optimistic that demand is normalizing? The Inbound Ocean TEUs Volume Index (IOTI) measures twenty-foot equivalent unit (TEU) container volumes being booked for shipping by actual departure date from their ports of origin bound for the U.S. — effectively the furthest upstream view of finished goods in supply chains available in aggregate. In May 2022, this index predicted a huge drop-off in goods entering the country by declining 30% in a matter of weeks. The implication is that shippers realized they had too much stuff and nowhere to put it as consumer demand had eroded faster than expected. Inventory correction has been the

invasive species in the Great Lakes and St. Lawrence River regions, February 22, 2023, www.tc.gc.ca
14. Florida seaports see record-high cargo in 2022, Feb. 22, 2023, www.ajot.com
15. Turmoil pushes ocean freight providers to invest in visibility, February 22, 2023, www.insidelogistics.ca
16. Prince Rupert Port Authority Celebrates a Decade of Green Wave Program, February 23, 2023, www.rupertport.com
17. Future cargo ships to be powered by wind to fight climate change, February 23, 2023, www.ajot.com

theme of this year's shipper-initiative playbook because of this. Retailers specifically have struggled with a glut of goods ordered during a period where supply chain congestion made it nearly impossible to receive their orders in a predictable manner, thanks to unexpected demand spikes resulting from the pandemic lifestyle. Once those bottlenecks started clearing last year and consumers left quarantines and lockdowns, companies were left with a pile of items they could not sell.

8. Shifts in consumer demand, shipping patterns lead to decline at Port of Long Beach

Softened consumer spending, increased prices driven by inflation and a shift in trade routes contributed to a dip in shipments moving through the Port of Long Beach in January. Dockworkers and terminal operators moved 573,772 twenty-foot equivalent units (TEUs) last month, down 28.4% from January 2022, which was the Port's busiest January on record. Imports decreased 32.3% to 263,394 TEUs and exports declined 14.2% to 105,623 TEUs. Empty containers moving through the Port were down 29% to 204,755 TEUs. "We are taking aggressive steps to meet a new set of challenges for the new year," said Port of Long Beach Executive Director Mario Cordero. "I remain optimistic that we will recapture market share and develop projects that will enhance our long-term growth, sustainable operations and the reliable movement of goods through the Port of Long Beach." "We're confident we will grow cargo volume by working with our industry stakeholders," said Long Beach Harbor Commission President Sharon L. Weissman. "We are focused on investing in infrastructure projects that will improve air quality and make us more competitive." Economists say inflation is slowing for purchased goods and may offset rising prices for services, largely depending on how the Federal Reserve adjusts interest rates this year.

9. Port of Long Beach Volume Plummet

The Port of Long Beach is attributing a large January 2023 volume drop, compared to the prior-year period, to "softened consumer spending, increased prices driven by inflation and a shift in trade routes." Dockworkers and terminal operators moved 573,772 twenty-foot equivalent units (TEUs) in January month, down 28.4% from January 2022, which was the Port's busiest January on record. Imports decreased 32.3% to 263,394 TEUs; exports declined 14.2% to 105,623 TEUs. Empty containers moving through the Port were down 29%, to 204,755 TEUs. "Economists say inflation is slowing for purchased goods and may offset rising prices for services, largely depending on how the Federal Reserve adjusts interest rates this year," said Port of Long Beach Executive Director Mario Cordero. "We are taking aggressive steps to meet a new set of challenges for the new year. I remain optimistic that we will recapture market share and develop projects that will enhance our long-term growth, sustainable operations and the reliable movement of goods through the Port of Long Beach."

10. Port of Los Angeles moves 726,014 container units to start 2023

The Port of Los Angeles processed 726,014 Twenty-Foot Equivalent Units (TEUs) in January 2023, a 16% decrease from the previous January's all-time record. "We expect softer global trade throughout the first quarter, particularly compared to last year's record-breaking start," Port of Los Angeles Executive Director Gene Seroka told journalists during a media briefing. "Many factories in Asia have had extended Lunar New Year closures, retailers continue to discount products to clear warehouses and inflation-led economic concerns remain top of mind for Americans. With capacity on our docks today, we're ready to unlock new levels of value and service at the Port of Los Angeles." Seroka was joined at the briefing by John Padgett, President of Princess Cruises. Padgett discussed plans for Princess to expand operations in Los Angeles after a strong 2022. The Port of Los Angeles had 229 cruise calls last year and expects cruise demand to continue to increase. January 2023 loaded imports reached 372,040 TEUs, down 13% compared to the previous year. Loaded exports came in at 102,723 TEUs, an increase of 2.5% compared to last year. Empty containers landed at 251,251 TEUs, a 26% year-over-year decline.

11. The Port of Montreal wants to invest in future infrastructure

The Port of Montreal has earmarked \$335+ million in its new five-year investment plan for its infrastructure on the Island of Montreal. These investments are necessary to consolidate the Port of Montreal's status as a trade platform at the heart of the strategic St. Lawrence corridor, to support the energy transition, and to promote harmonious cohabitation with the neighbouring community. The announcement was made by Martin Imbleau, President and Chief Executive Officer of the Montreal Port Authority (MPA) this morning during a speech at the Transport and Logistics Forum organized by the Chambre de commerce de l'Est de Montréal (CCEM). During his speech on a strong and decarbonized supply chain originating in the east end, Martin Imbleau outlined the Port of Montreal's role and scope in the city's east end from a long-term perspective. Now that the Port of Montreal is approaching its full container handling capacity, it wants to invest heavily in its infrastructure on the island, which stretches 26 km between Cité-du-Havre and the east end of the island. These investments are geared to achieve four main objectives.

12. Centerm Expansion Project complete, increasing Port of Vancouver container capacity

Construction on the Centerm Expansion Project at the Port of Vancouver is now complete, as the Vancouver Fraser Port Authority continues to partner with industry and government to deliver the sustainable infrastructure needed to support growing trade and stronger national supply chains. The expansion project—delivered in partnership with terminal

operator DP World—focused on innovative ways to make best use of the limited trade-enabling industrial land available and allow Centerm to handle 60% more containers by increasing the terminal footprint by 15%. Work completed includes expanding the terminal footprint to the west and east, reconfiguring and expanding the container yard, building state-of-art truck gates, expanding the intermodal yard, building a new operations facility, and marine habitat improvements. “We’re incredibly proud of our work leading this award-winning terminal expansion, which adds to our proven track record of delivering top-tier sustainable infrastructure to support Canada’s growing trade,” said Cliff Stewart, vice president of infrastructure at the port authority, the federal agency mandated to enable Canada’s trade through the Port of Vancouver. “The expanded Centerm terminal is an important addition to the Port of Vancouver as we continue to work to deliver the container capacity Canadians and Canadian businesses need to thrive now and into the future.”

13. The Minister of Transport launches new program to further prevent aquatic invasive species in the Great Lakes and St. Lawrence River regions

On February 22, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced \$12.5 million in funding to launch the [Ballast Water Innovation Program](#) as part of Canada’s Oceans Protection Plan. The program, which is a central component of the Government of Canada’s efforts to advance the implementation and enforcement of the [2021 Ballast Water Regulations](#), will play an important role in further reducing the spread of aquatic invasive species in the Great Lakes and St. Lawrence River region by investing in innovative solutions to ballast water management. Evidence shows that ballast water management systems are an effective solution in the Great Lakes and St. Lawrence region. However, technical challenges caused by unique water conditions, such as cooler temperatures and heavy sedimentation rates, can pose a challenge to ballast water management systems in the region. To address these challenges and prevent the spread of aquatic invasive species, this program will: 1. Fund research projects that ensure ballast water management systems are optimized for unique water environments in the Great Lakes and St. Lawrence River region; 2. Provide innovative solutions to ensure the successful implementation of the new ballast water regulations and prevent the entry and spread of invasive aquatic species in the region; 3. Enable the Government of Canada to deepen its technical expertise relating to ballast water management system issues; and 4. Inform Canada’s discussions with the U.S. and other countries towards more compatible rules and increased environmental protections.

14. Florida seaports see record-high cargo in 2022

Florida’s 16 seaports experienced a new record high of 112.5 million tons of cargo received during 2022, a six percent increase over 2021, a newly released report from the Florida Seaport Transportation and Economic Development Council (FSTED) shows. Further, Florida’s strong performance to answer supply chain demands by encouraging shippers to change shipping lanes and call on the Sunshine State’s uncongested ports, has well-positioned Florida to gain an even larger market share over the next five years. As the Seaport Mission Plan shows, strong investments in Florida’s 16 publicly owned seaports have well-positioned them as reliable and resilient, and ready to seize the opportunity to become a global hub by capturing an even larger share of international trade and related commercial activities. “Florida seaports have been flexing their muscles, and taking a more aggressive approach to target maritime decision makers. We know the country’s 1970’s-era supply chain is broken, so we’re looking beyond to share how Florida’s seaports are the gateway to the world,” said Michael Rubin, FSTED Administrator, and President and CEO of the Florida Ports Council.

15. Turmoil pushes ocean freight providers to invest in visibility

The past few years of supply chain disruptions have driven almost three quarters of ocean freight stakeholders to invest in visibility technology for their operations. COVID-19, market volatility, global political conflict, material shortages and extreme weather events have driven 73 percent of respondents to invest in supply chain visibility, with 46 percent planning to invest more in 2023. That’s according to a new survey released today by *FourKites*. The survey polled over 350 supply chain professionals to shed light on the top issues facing the ocean shipping industry. “Shippers and other players in the supply chain ecosystem are getting smarter about allocations by tapping into more reliable and real-time data, instead of guessing,” said Chris Stauber, founder of VentureSoftPM. “They want to know, for instance, what the risk-versus-reward will be for going to an extra port or country to move their containers, or for shifting from one supplier to three for raw supplies. Additional investment is required to get better data, but the value of that data brings a huge reduction in risk.”

16. Prince Rupert Port Authority Celebrates a Decade of Green Wave Program

The Prince Rupert Port Authority (PRPA) is marking the tenth anniversary of its Green Wave program by honouring five companies for their outstanding participation in the initiative last year. The recipients of the 2022 Green Wave Award include container shipping companies COSCO Shipping Lines, MSC Mediterranean Shipping Company, and SM Line, along with liquified gas shipping line, Navigator Gas LLC, and BC Ferries. PRPA also acknowledges the owners of two vessels – PIAVIA and NBA Rubens – for actively employing technology to reduce the underwater noise generated by their respective ships and its impact on the communications of marine mammals on the North Coast.

17. Future cargo ships to be powered by wind to fight climate change

SHIPS of the future could once again be powered by wind if a pioneering project which retrofits large vessels with ultramodern wing-sails proves successful in cutting carbon emissions. Scientists from the University of Southampton have received funding from Innovate UK to investigate the potential of the technology as part of efforts to decarbonise the UK's maritime sector. The research team intends to create new software tools which accurately predicts how modern vessels perform on the ocean when fitted with the FastRig wing-sails, developed by UK company Smart Green Shipping. Lead scientist Dr Joseph Banks, from Southampton's Marine and Maritime Institute, said that global shipping needs to decarbonise quickly. He added: "Ships powered by wind is obviously nothing new – but almost every large vessel operating today is powered by fossil fuels, leaving a lasting mark on the environment. While new wind-assist technologies are being developed, many are not ready for market and their predicted fuel savings have not been independently verified at sea, which is why UK-funded research projects like this are so important." The grants for the Winds of Change project, the collaboration between Southampton and Smart Green Shipping, was provided by the Department for Transport and Innovate UK, which is working to transform the UK into a world-leader for generating clean maritime equipment. As part of the two-year development programme, scientists will test the impact of a retractable 20metre-high FastRig wing-sail retrofitted on commercial ship the Pacific Grebe – a British 105 metre vessel.

RAIL TRANSPORTATION

1. CP reports fourth-quarter results; ready to unite a continent in 2023

Canadian Pacific Railway Limited (CP) on January 31, 2023 announced its fourth-quarter results, including revenues of \$2.46 billion, operating ratio ("OR") of 59.8 percent, adjusted OR of 59.1 percent, diluted earnings per share ("EPS") of \$1.36 and core adjusted diluted EPS of \$1.14. The highlights for the fourth quarter of 2022 were: 1. Revenues increased 21 percent to \$2.46 billion, from \$2.04 billion in Q4 2021; 2. Volumes, as measured in revenue ton-miles, increased 8 percent; 3. Reported OR increased by 60 basis points to 59.8 percent from 59.2 percent; 4. Adjusted OR, increased 160 basis points to 59.1 percent; 5. Reported diluted EPS increased to \$1.36, from \$0.74 in Q4 2021; and 6. Core adjusted diluted EPS increased to \$1.14, from \$0.96 in Q4 2021. "We finished the year with the people, capacity and resources in place to meet the needs of our customers today and are well-positioned to make history in 2023," said Keith Creel, CP President and CEO. "In a year of changing conditions and challenges, in order to support the broader economy and prepare for our proposed combination, we executed one of the largest hiring plans and capital investment programs in our company's history." The highlights for the 2022 (entire year) were: 1. Federal Railroad Administration ("FRA")-reportable train accident frequency declined 15 percent to 0.93 from 1.10 in 2021; 2. Revenues increased 10 percent to \$8.81 billion from \$8.0 billion in 2021; 3. Free cash \$2.7 billion, an increase of 52 percent; 4. OR increased 230 basis points to 62.2 percent; 5. Adjusted OR increased 380 basis points to 61.4 percent; 6. Reported diluted EPS decreased to \$3.77 from \$4.18; and 7. Core adjusted diluted EPS was flat compared to 2021 at \$3.77.

2. Canadian Pacific Railway Limited declares dividend

The Board of Directors of Canadian Pacific Railway Limited January 31, 2023 declared a quarterly dividend of \$0.19 per share on the outstanding Common Shares. The dividend is payable on April 24, 2023, to holders of record at the close of business on March 31, 2023, and is an "eligible" dividend for purposes of the Income Tax Act and any similar provincial/territorial legislation.

3. Freight Rail Services Price Index, January 2023

The Freight Rail Services Price Index (2018=100) for January 2023 is 127.9 compared to 129.1 in December 2022. A year ago it was 113.6 in January 2022.

4. AAR: 'The Worst January for Intermodal Since 2013'

"Rail traffic began 2023 much the same way we ended 2022—

RAIL TRANSPORTATION

Canada

1. CP reports fourth-quarter results; ready to unite a continent in 2023, January 31, 2023, www.cpr.ca; and CP 4Q22: 'Well Positioned to Execute a Historic Year' in 2023, January 31, 2023, www.railwayage.com
2. Canadian Pacific Railway Limited declares dividend, January 31, 2023, www.cpr.ca
3. Freight Rail Services Price Index, January 2023, January 31, 2023, www.statcan.gc.ca
4. AAR: 'The Worst January for Intermodal since 2013', Feb. 1, 2023, www.railwayage.com
5. CP reports new record January for Canadian grain transport, January 2, 2023, www.cpr.ca; and CP Delivers Grain-Haul Record, Community Support, February 2, 2023, www.railwayage.com
6. Canadian rail shippers praise feds' actions to collect more freight data, February 3, 2023, www.freightwaves.com
7. CN Deploys Innovative Technology to Remotely Monitor Temperature-Controlled Cargo, February 3, 2023, www.railwayage.com
8. VIA rail Canada recognized by Forbes as one of Canada's best employers 2023, February 3, 2023, www.viarail.ca
9. CSX, NS, UP, CN Renew Petition to Stay Requirement That Class I's Commit to Arbitration Program, February 6, 2023, www.railwayage.com
10. AAR reports rail traffic for the week ending February 4, 2023, February 8, 2023, www.ajot.com; and North American Volume Flat Through Week Five, AAR, February 8, 2023, www.railwayage.com
11. CP and United Steelworkers Local 1976 reach tentative collective agreement, February 9, 2023, www.cpr.ca
12. Authorities Call for Better Oversight Along Canada's Provincially Regulated Railways, February 10, 2023, www.railwayage.com
13. For CN, 'Strong and Steady' Pace for Grain Movement in Halfway Mark, February 13, 2023, www.railwayage.com
14. Statement by the Minister of Transport on the acquisition of land required for the Lac-Mégantic rail bypass, February 13, 2023, www.tc.gc.ca

demonstrating reasons for both optimism and caution,” said AAR Senior Vice President John T. Gray. “It was the worst January for intermodal since 2013 with major retailers cutting back on inventories and consumer spending—especially on goods—having contracted,” Association of American Railroads (AAR) Senior Vice President John T. Gray reported on Feb. 1, 2023. For the first month of 2023, total U.S. rail traffic was down 3.2% compared with January 2022; carloads came in 2.2% higher while intermodal dipped 8.1%, according to a Feb. 1 AAR report. According to AAR, in January 2023, U.S. Class I railroads hauled 1,843,624 carloads and intermodal units. Twelve of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with January 2022. Canadian railroads reported 81,541 carloads for the week, up 9.7%, and 63,013 intermodal units, down 3.5% compared with the same week in 2022. For the first four weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 557,879 carloads, containers and trailers, up 7.3%.

5. CP reports new record January for Canadian grain transport

Canadian Pacific (CP) moved 2.29 million metric tonnes (MMT) of Canadian grain and grain products in January 2023, setting a new record for the month. CP has moved more than 15 MMT of Canadian grain and grain products thus far in the 2022-2023 crop year, exceeding the amount shipped by this time in the 2021-2022 crop year by more than 45 percent. “CP’s grain performance through January demonstrates the strength of our customers’ supply chains, and the strong resiliency of our railway operations and effective winter planning, allowing CP to deliver for our customers,” said Joan Hardy, CP Vice-President Sales and Marketing, Grain and Fertilizers. “CP, our customers and other supply chain participants were able to ship nearly double the volume of grain and grain products compared to January 2022, despite slowed grain vessel loading because of rain in Vancouver, holiday closures and periods of extreme winter operating conditions.”

6. Canadian rail shippers praise feds’ actions to collect more freight data

While the Canadian government has made inroads regarding the collection of additional freight rail data metrics and the preservation of interswitching, Transport Canada could go a few steps further in regulating better service in Canada, rail shippers told *FreightWaves*. How Canada addresses rail service and data collection metrics can be significant for both American and Canadian shippers and the railways themselves because operations can often cross borders. While the Canadian government has made inroads regarding the collection of additional freight rail data metrics and the preservation of interswitching, Transport Canada could go a few steps further in regulating better service in Canada, rail shippers told *FreightWaves*. From a safety perspective, both countries also like to harmonize their regulations as well. A comparison of the regulations governing rail transportation for grain in the U.S. versus Canada is available on the U.S. Department of Agriculture website. “Despite their similarities, railroads in each country operate in very different regulatory environments. This is a product of different geographies, historical developments, shipper pressures, policymaker philosophies and other factors,” said the paper on the USDA website, entitled “Parallel or Converging? A Comparative Analysis of the Grain Handling and Rail Transportation Systems in Canada and the United States.” “In recent years, regulators in both countries have increasingly looked across the border for insight and ways to improve outcomes for railroads and shippers.”

7. CN Deploys Innovative Technology to Remotely Monitor Temperature-Controlled Cargo

CN has deployed innovative technologies to remotely monitor operational and temperature conditions of privately-owned 40-foot international containers while in the possession of its Brampton Intermodal Terminal, the Class I reported on Feb. 2, 2023. The remote cloud-based monitoring software allows for “increased visibility of the cargo, generating greater transparency on temperature integrity and establishing reliability and consistency within our service,” CN said. “As the demand for more variety in our diets across the globe means more goods are traveling further, CN remains vigilant and focused on helping those goods arrive safely at the right temperature and on time no matter the mileage,” the Class I added. “CN continues making meaningful investments to push innovation in the temperature-controlled supply chain to meet the

15. Report: Rail supply industry contributed \$75B to US economy in 2020, February 14, 2023, www.freightwaves.com
16. Railway association report shows Canadian railways are low-cost winners, February 15, 2023, www.insidelogistics.ca
17. North American Rail Volume Down Through Week Six, AAR, February 15, 2023, www.railwayage.com
18. CP announces ratification of new labour agreement with Unifor, February 16, 2023, www.cpr.ca
19. Government of Canada launches process to identify and qualify up to three top candidates to build High Frequency Rail between Quebec and Toronto, February 17, 2023, www.tc.gc.ca
20. Update on Negotiations with Unifor in Canada, February 17, 2023, www.cn.ca
21. Rail may have missed its window for growth, February 18, 2023, www.freightwaves.com
22. Unifor taking strike votes at CN, February 20, 2023, www.insidelogistics.ca
23. Union Pacific reaches sick leave agreements with 2 unions, February 20, 2023, www.freightwaves.com
24. Siemens Mobility Lands Metrolinx M/W Contract, Feb. 22, 2023, www.railwayage.com
25. USDOT Secretary Buttigieg Calls on Rail Industry to Take Immediate, Commonsense Steps to Improve Accountability and Safety and Highlights Ways Congress Can Support these Efforts, February 23, 2023, www.dot.gov
26. TSB: Ottawa Confederation Line Remains Hazardous, Feb. 22, 2023, www.railwayage.com
27. Carloads, Intermodal Volume Down for Week 7, Feb. 22, 2023, www.railwayage.com
28. Minister of Transport provides an update on the next steps of the High Frequency Rail project in Peterborough, Feb. 23, 2023, www.tc.gc.ca
29. CN Launches Consolidated Shipment-Tracking Tool, February 23, 2023, www.railwayage.com
30. Railway carloadings, total tonnage, February 24, 2023, www.statcan.gc.ca
31. Rail industry pushes sensors over brakes after Ohio train crash, Feb. 26, 2023, www.ajot.com

needs of our shipping community,” said CN Senior Manager, Temperature-Controlled Cargo Keegan Donaghey. “Our new remote monitoring system enhances cargo safety and temperature integrity while in CN’s possession.” “Due to the perishable nature of our meat products, the advantage of remote temperature monitoring during shipment is significant,” said Canworld Foods’ Michael Costa. “It protects our product integrity and helps to ensure food safety during transport to our overseas customers.” CN says it expects to deploy these advanced monitoring technologies in other CN terminals across the railroad’s network in 2023.

8. VIA rail Canada recognized by Forbes as one of Canada’s best employers 2023

VIA Rail Canada (VIA Rail) is pleased to announce it has been recognized by Forbes as one of Canada’s Best Employers 2023. This recognition highlights the positive work environment, potential for growth and work-life balance offered to VIA Rail’s employees.

9. CSX, NS, UP, CN Renew Petition to Stay Requirement That Class I’s Commit to Arbitration Program

CSX, Norfolk Southern (NS), Union Pacific (UP) and the U.S. operating subsidiaries of CN on Feb. 3, 2023 renewed their request that the Surface Transportation Board (STB) stay its requirement that the Class I railroads commit to a new arbitration program for small rate disputes. STB on Jan. 24 denied, without prejudice, the joint carriers’ (CSX, NS, UP and CN’s U.S. subsidiaries) first stay request, filed Dec. 29, 2022. The moves stem from STB’s Dec. 19, 2022 adoption of two final rules establishing new “rate reasonableness procedures” that it said provide “two streamlined approaches for shippers and railroads to resolve smaller rate disputes.” The two rulings are *Final Offer Rate Review* (FORR) Docket No. EP 755—described as “a voluntary arbitration program and an entirely new procedure for rate challenges”—and *Joint Petition for Rulemaking to Establish a Voluntary Arbitration Program for Small Rate Disputes* (Arbitration Final Rule), Docket No. EP 765. “Either rate review mechanism will substantially improve shippers’ access to rate reasonableness reviews for smaller rate disputes,” STB said when it issued the rulings. It added that the Voluntary Arbitration Program will become operative “only if all seven Class I carriers commit to participating in the program for five years” and “if all Class I carriers do so, they will be exempt from the FORR procedure.”

10. AAR reports rail traffic for the week ending February 4, 2023

For this week, total U.S. weekly rail traffic was 449,586 carloads and intermodal units, down 1.9 percent compared with the same week last year. Total carloads for the week ending February 4 were 216,700 carloads, down 0.9 percent compared with the same week in 2022, while U.S. weekly intermodal volume was 232,886 containers and trailers, down 2.9 percent compared to 2022. Six of the 10 carload commodity groups posted an increase compared with the same week in 2022. Canadian railroads reported 77,460 carloads for the week, up 11.4 percent, and 57,745 intermodal units, down 8.7 percent compared with the same week in 2022. For the first five weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 693,084 carloads, containers and trailers, up 6.2 percent.

11. CP and United Steelworkers Local 1976 reach tentative collective agreement

Canadian Pacific (CP) on February 9, 2023 announced it has reached a tentative collective agreement with the United Steelworkers (USW) Local 1976 covering approximately 550 administrative support and intermodal employees in Canada. “By working collaboratively with our valued union partners, we’ve reached another negotiated tentative agreement this year,” said Keith Creel, CP’s President and CEO. “We thank the United Steelworkers for working collaboratively with us throughout this negotiation. This tentative agreement is a testament to the hard work and commitment of both sides.” CP has successfully negotiated three tentative collective agreements with its unions in 2023. Details of the USW tentative collective agreement will not be released publicly until the agreement has been ratified.

12. Authorities Call for Better Oversight Along Canada’s Provincially Regulated Railways

With the release of investigation documents surrounding a 2019 accident in which a GO Transit train struck two people at a public crossing in Ontario, officials from the Transportation Safety Board of Canada are expressing concerns about the safety oversight of provincially regulated railways. The **TSB** issued a safety concern Feb. 9, 2023 following the release of its investigation report into the 2019 incident that involved an adult and a child being struck in Kitchener, Ontario. “This accident illustrates the critical and pervasive issue of railway crossing safety, which is the second leading cause of fatalities in the railway sector,” said TSB Chair Kathy Fox. “Crossing safety is a shared responsibility. Pedestrians and motorists need to obey the rules at crossings; and the railways, road authorities and regulator need to communicate with each other when risks are identified and take appropriate action to improve safety and prevent further crossing accidents.”

13. For CN, ‘Strong and Steady’ Pace for Grain Movement in Halfway Mark

At the mid-point of the 2022-23 crop year, CN has been delivering “strong, consistent” results for grain movement in Western Canada with 15.2 million metric tons (MMT) of grain and processed grain products shipped, the Class I reported Feb. 10, 2023 **CN** reports having set both weekly and monthly movement records through the fall and winter because of operational changes implemented this past spring and summer to “improve network fluidity and velocity.” The Class I says it has also been able to recover quickly from disruptions within the grain supply chain. Many of these

changes, CN says, are tied to the railroad's 2022-23 Winter Plan, but the Class I has also executed strongly against its 2022-23 Grain Plan. "Improved collaboration and communications with customers, unit train slot planning, an increased focus on scheduled train service, and new capital investments," have all played a part in CN's success crop year-to-date, according to the railroad. Network velocity, measured as the average number of miles per day that a car travels, has been at its highest level since 2016.

14. Statement by the Minister of Transport on the acquisition of land required for the Lac-Mégantic rail bypass

The Minister of Transport, the Honourable Omar Alghabra, issued on February 13, 2023 issued a statement on the Lac-Mégantic bypass. After months of negotiations, an expropriation process was initiated. "I understand that some of the landowners are angry, saddened or anxious about this decision. Believe me, it was not taken lightly. However, we must not lose sight of the project's core objective, eliminating trains travelling through downtown Lac-Mégantic. To make this project a reality, we must move forward."

15. Report: Rail supply industry contributed \$75B to US economy in 2020

An economic study commissioned by three rail supply trade groups has determined that the U.S. rail supply industry's impact to the nation's GDP exceeded \$75 billion in 2020. The report, sponsored by the Railway Supply Institute, the Railway Engineering-Maintenance Suppliers Association and the Railway Tie Association, suggests that the industry's contributions come from more than \$15 billion in tax contributions at the federal, state and local levels, as well as employment impacts of more than 680,000 jobs — for which the average pay of \$91,200 is 34% higher than the national average. The railway supply industry includes companies that produce rail cars and locomotives as well as rail infrastructure assets such as signals, rail ties and railway maintenance equipment. These components would be for both freight and passenger rail. The report was prepared in partnership with Oxford Economics and designed to show the direct and indirect ways that the railway supply industry contributes to the U.S. economy.

16. Railway association report shows Canadian railways are low-cost winners

Canada's average rail freight rate is 11 percent lower than that of the U.S. and significantly lower than rates in other parts of the world. The Railways Association of Canada (RAC) recently published these findings in a report it commissioned from global transportation consulting firm, CPCS. Using publicly available data, the study, International Comparison of Rail Freight Rates, surveyed 11 countries representing two-thirds of global GDP. The report found that Canadian rates are significantly lower than those of market-based economies in Europe and Asia – all of them leading trading nations like Canada. The CPCS study compared railway freight rates across 11 countries, including Canada, all of which are home to high-performing rail systems.

17. North American Rail Volume Down Through Week Six, AAR

For the first six weeks of 2023 (ending Feb. 11), total U.S. weekly rail traffic was down 6.2%, compared with the same week last year, according to the Association of American Railroads' (AAR) Feb. 15 report. Both the U.S. and Mexico experienced decreases, while Canada saw an increase. North American rail volume for the first six weeks of this year (ending Feb. 11) on 12 reporting U.S., Canadian and Mexican railroads came in at 3,812,418 carloads and intermodal containers. Cumulative volume in the U.S. was 2,767,182 carloads and intermodal units, down 3.6% from 2022; in Canada, 833,584 carloads and intermodal units, up 5.1%; in Mexico, 211,652 carloads and intermodal units, down 4.3%. According to AAR, for the week ending Feb. 11, 2022, U.S. Class I railroads hauled a total of 2,767,182 carloads and intermodal units, a decrease of 3.6% compared to last year. This comprises 1,373,778 carloads, up 1.0% from 2022; and 1,393,404 intermodal units, down 7.7% from the prior-year period. Canadian railroads reported 80,828 carloads for the week, up 10.5%, and 59,672 intermodal units, down 11.4% compared with the same week in 2022. For the first six weeks of 2023, Canadian railroads reported cumulative rail traffic volume of 833,584 carloads, containers and trailers, up 5.1%.

18. CP announces ratification of new labour agreement with Unifor

Canadian Pacific Railway Limited (CP) on February 16, 2023 announced that Unifor members have ratified a new two-year collective agreement covering approximately 1,200 CP mechanical employees in Canada. "This negotiated agreement is the result of hard work by all involved. We thank Unifor for working collaboratively with us throughout this process," said Keith Creel, CP's President and CEO. "Ratifying this agreement is a positive step for our mechanical employees and another example of CP's willingness to negotiate in good faith with our union partners." Unifor represents CP's mechanical responsible for maintaining rail cars and locomotives.

19. Government of Canada launches process to identify and qualify up to three top candidates to build High Frequency Rail between Quebec and Toronto.

On February 17, the Minister of Transport, the Honourable Omar Alghabra, and the Minister of Canadian Heritage and Quebec Lieutenant, the Honourable Pablo Rodriguez, announced a major step in the procurement process for the High Frequency Rail project: the launch of the Request for Qualifications (RFQ). The RFQ is the next step following the Request for Expressions of Interest that opened in March 2022. The Request for Qualifications launches the formal procurement process and outlines: 1. The context and features of the High Frequency Rail project (e.g., current

challenges in the Corridor, purpose of the project, and objectives); 2. The procurement process, including the evaluation criteria regarding how proposals will be evaluated, security requirements for candidates, funding support for proposal development during the RFQ process, and key principles of the commercial agreement for the execution phase; 3. The key players in the project (e.g., VIA HFR, private developer partner, VIA Rail, Government of Canada) and how they will work together; and 4. Project outcomes that the private developer partner will be expected to meet or exceed (e.g., shorter journey times, more frequent departures, more reliable service, etc.)

20. Update on Negotiations with Unifor in Canada

CN has been in ongoing negotiations with Unifor since October 2022. The union represents approximately 3,000 employees working in various departments such as Mechanical, Intermodal, and Facility Management, and in clerical positions in Canada. On December 16, 2022, Unifor filed for conciliation. CN remains committed to achieving a negotiated settlement and avoiding labour action. As part of that effort, CN tabled a comprehensive offer with the Union on February 14, 2023. The offer includes increases in net pay and benefits. It also resolves outstanding issues between the parties and provides improved working conditions for all represented employees.

21. Rail may have missed its window for growth

Intermodal loaded container volumes have dropped about 11% year over year, which is not terribly shocking considering declining goods demand. The real story for intermodal is the 8% drop in container shipments versus the pre-pandemic level in February 2020 and that their cost advantage over trucking is near all-time lows. When trucking capacity tightens and rates increase, intermodal shipping on the railroads becomes a lot more attractive in general. That does not appear to have happened during the pandemic years. Aggregate demand for goods has fallen over the past 12 months according to just about every macroeconomic indicator, but it remains elevated above the pre-COVID period — which means rail demand should still outperform early 2020 levels.

22. Unifor taking strike votes at CN

Unifor's two national bargaining committees continued contract negotiations with CN the week of February 13-17, 2023 in Montreal. This was the fifth bargaining session with the company since bargaining opened on October 19, 2022. Unifor's national collective agreements with CN that cover the working conditions of more than 4,000 workers, expired on December 31, 2022. Two bargaining committees are involved, Council 4000 and Local 100. Local 100 represents locomotive and freight-car mechanics, electricians and apprentices. Council 4000 represents over 3,000 workers including workers at CN, Intermodal, CNTL and CN Savage Alberta Railway. The union filed a Notice of Dispute with Federal Mediation and Conciliation Service (FMCS) on December 16, 2022 and has been negotiating with assistance of federal conciliators since then. The union said in a media release that although substantial progress has been made towards its bargaining aims, a couple of outstanding issues remain with Local 100. The union said these include "the employer making changes to the existing substance testing process under the Company's drug and alcohol policy."

23. Union Pacific reaches sick leave agreements with 2 unions

Union Pacific reached sick leave agreements over the weekend with two unions, the National Conference of Firemen and Oilers (NCFO) and the Brotherhood of Railway Carmen (BRC). UP said the agreements will be effective April 1, 2023. They call for the two unions to receive access to up to seven paid days to use for sick leave. The railroad said it would continue to work with other unions to find sick time solutions. "Union Pacific remains committed to addressing our employees' concerns," UP said in a statement on February 20, 2023. The sick leave is in addition to paid personal days off offered to UP employees.

24. Siemens Mobility Lands Metrolinx M/W Contract

Metrolinx has awarded Siemens Mobility a contract for track, signal and right-of-way maintenance services for the agency's GO Transit regional/commuter rail infrastructure system in Toronto's West Region. Currently, Siemens Mobility provides various services and products to Metrolinx, including C&S back office support and fault control services at Metrolinx's Network Operations Center (NOC) in Oakville, Ontario. "This new maintenance service contract will further strengthen Siemens Mobility's ongoing relationship with Metrolinx while increasing the organization's footprint in the Greater Toronto Area," the company said. "The contract further grows Siemens Mobility's local Canadian footprint and expand its current team across Ontario. This is part of the overall Siemens footprint in Canada, which includes 33 sites, with more than 2,900 employees. The team will work closely with Metrolinx to mobilize resources, including vehicles and large equipment for start-up of services during the spring of 2023. Our suite of digital tools and software will complement the knowledge and expertise our teams possess with the intelligent use of rail data to provide Metrolinx with superior service 24/7/365."

25. USDOT Secretary Buttigieg Calls on Rail Industry to Take Immediate, Commonsense Steps to Improve Accountability and Safety and Highlights Ways Congress Can Support these Efforts

On February 21, 2023, as local, state, and federal officials continue to investigate the cause of the derailment in East Palestine, Ohio, and monitor public health conditions, U.S. Transportation Secretary Pete Buttigieg called for a three-

pronged push to hold the freight rail industry accountable and improve safety. That includes laying out immediate steps for Class I railroads to take to improve rail safety in communities across America and to improve working conditions for rail employees. It comes on the heels of Secretary Buttigieg's letter to Norfolk Southern's CEO, in which the Secretary called for an end to the rail industry's "vigorous resistance" to increased safety measures, which has included litigation and lobbying Congress. More specifically: 1. Among the immediate calls for action: Freight rail industry should accelerate phase-in of safer tank cars and provide workers paid sick leave, and Congress can raise existing caps on the fines for rail safety regulations. 2. USDOT will advance train crew staffing rule, initiate a focused safety inspection program on routes over which high-hazard flammable trains (HHFTs) travel. 3. Secretary Buttigieg: "We at USDOT are doing everything in our power to improve rail safety, and we insist that the rail industry do the same – while inviting Congress to work with us to raise the bar"

26. TSB: Ottawa Confederation Line Remains Hazardous

The first inquiry, the "Ottawa LRT Independent Review Report," commissioned by the City and conducted by Mott MacDonald Canada, was a review of the Confederation Line Stage 1 asset conditions including the vehicles, signalling, track and operations control center. The 291-page report was completed in April 2022. Though it is marked as "Confidential," it is available on the City website, is in the public domain, and is downloadable at the end of this article. In a Feb. 3 letter to the city (downloadable below), the TSB said the system's Alstom Citadis Spirit LRV model, of which there are 34, "has had numerous reliability issues and experienced two serious main-track derailments since it commenced operations." The trainsets, said the TSB missive, are not sufficiently robust to resist the greater accelerations and passenger loads required to satisfy city specifications and will "continue to pose a risk to safety until the issues are resolved." Specifically, the TSB said, bogies and wheelsets are not up to the increased torque of the more powerful motors installed to meet city specs. A second inquiry into Ottawa's problematic light rail system, this time by Canada's Transportation Safety Board, has warned that the city's new Confederation Line is a safety risk and should be substantially re-engineered.

27. Carloads, Intermodal Volume Down for Week 7

U.S. rail traffic for the week ending Feb. 18, 2023 (Week 7) dipped 6.5% from the same week last year, the Association of American Railroads (AAR) reported Feb. 22, 2023. U.S. Class I railroads hauled a total of 466,932 carloads and intermodal units, comprising 229,227 carloads, down 3.9%, and 237,705 containers and trailers, down 8.8%. Canadian railroads reported 82,527 carloads for the week ending Feb. 18, 2023, rising 11.1%, and 59,995 intermodal units, decreasing 6.9% compared with the same week last year. For the first seven weeks of 2023, they reported cumulative rail traffic volume of 976,106 carloads, containers and trailers, a 4.7% gain.

28. Minister of Transport provides an update on the next steps of the High Frequency Rail project in Peterborough

On February 23, 2023, the Minister of Transport, the Honourable Omar Alghabra, and His Worship Jeff Leal, Mayor of the City of Peterborough, provided an update on the next steps for the High Frequency Rail project: the launch of the Request for Qualifications (RFQ). The purpose of the RFQ is to identify and qualify up to three top candidates who will be invited to participate in the Request for Proposals (RFP) process, anticipated to begin in summer 2023. The procurement process will help select a private developer partner to work in collaboration with VIA HFR, the newly created subsidiary of VIA Rail, to design and develop the High Frequency Rail project. The Request for Qualifications is the next step following the Request for Expressions of Interest that opened in March 2022. The Request for Qualifications launches the formal procurement process and outlines: 1. The context and features of the High Frequency Rail project (e.g., current challenges in the Corridor, purpose of the project, and objectives); 2. The procurement process, including the evaluation criteria regarding how proposals will be evaluated, security requirements for candidates, funding support for proposal development during the RFP process, and key principles of the commercial agreement for the execution phase; 3. The key players in the project (e.g., VIA HFR, private developer partner, VIA Rail, Government of Canada) and how they will work together; and 4. Project outcomes that the private developer partner will be expected to meet or exceed (e.g., shorter journey times, more frequent departures, more reliable service, etc.).

29. CN Launches Consolidated Shipment-Tracking Tool

The new CN One Mobile app features a consolidated shipment-tracking tool for both carload and intermodal customers, [CN](#) reports. Launched Feb. 16, the app (view below) provides a real-time "snapshot" of a shipment on [CN](#)'s network, allowing customers to follow the movements of their merchandise without using multiple tracking tools, according to the Class I railroad. Customers can track not only shipment status, but also estimated time of arrival and receive shipment notifications. Additionally, they can access map views and tracking features to view, search, filter and share shipment details "anytime, anywhere," [CN](#) noted. For use on the web or on mobile devices, the app is available in English and French from the Apple App Store and the Google Play Store. [CN](#) told *Railway Age* on Feb. 23, 2023 that while the app "is still new to market, overall user experience and initial customer feedback is positive.

30. Railway carloadings, total tonnage

In December 2022, Canadian railways carried 28.4 million tonnes of freight, up slightly (+0.5%) from December 2021, marking the third consecutive month of year-over-year growth. For 2022 as a whole, rail cargo volume totalled 366.4 million tonnes, up slightly (+0.5%) from 2021 levels, driven by increases in carloadings of some energy products and iron ores. To further explore current and historical data in an interactive format, please visit the "Monthly Railway Carloadings: Interactive Dashboard." For the year 2022, the total volume of cargo moved by Canadian railways remained largely unchanged from 2021 to 2022, increasing slightly by 0.5% to 366.4 million tonnes, with gains in tonnage concentrated in the latter half of the year. During the first half of 2022, rail freight volumes were consistently below 2021 totals, mostly because of declines in carloadings of grains amid the depletion of stocks stemming from the drought across the Prairies in summer 2021. For instance, loadings of wheat dropped an averaged 1.25 million tonnes year over year each month from January to August 2022. However, in the last four months of the year, wheat loadings averaged over 2.5 million tonnes more each month, in large part due to a bumper harvest from more favourable growing conditions across the Prairies in 2022. In 2022, non-intermodal loadings in Canada totalled 283.5 million tonnes, down slightly (-0.1%) from 2021 levels. Similarly, intermodal freight traffic also decreased slightly, down 0.6% to reach 36.8 million tonnes in 2022. However, container volumes were particularly strong during the last six months of 2022. Finally, traffic received from the United States reached an-all time high of 46.0 million tonnes in 2022, surpassing the prior record set in 2021 by 5.6%.

31. Rail industry pushes sensors over brakes after Ohio train crash

The train derailment that spilled toxic chemicals into a small Ohio town has revived a long-running debate about railroad safety — and some industry players think they have just the thing to resolve it. The Feb. 3, 2023 crash of the Norfolk Southern Corp. train in East Palestine, Ohio, has renewed a push for railroads to adopt electronic brakes that could help prevent a malfunctioning train from endangering people and property. Electronically controlled pneumatic, or ECP, brakes have been touted for their capacity to bring trains to a halt in shorter distances and prevent dangerous pileups. The Biden administration has blamed industry stonewalling for blocking regulations that would have mandated use of the systems on some trains — even though it isn't clear that ECP brakes would've done much to mitigate an accident similar to the one in Ohio, and the proposed rules wouldn't have applied to the train that crashed. The railroad industry has found itself in a tight spot as the political furor around the accident grows, with former President Donald Trump turning up in East Palestine, and the derailment becoming a talking point on cable news and Capitol Hill. The episode has aggravated fears about the safety of sending chemicals and other hazardous materials over the rails, and raised the spectre of new regulation at a time when railroads are coping with restive workers and annoyed customers.

HIGHWAY TRANSPORTATION

1. UPS faces rising labor costs, strike risk in upcoming union fight

United Parcel Service Inc. will pay more for labor after replacing a union contract that expires in July, 2023. The main question for Chief Executive Officer Carol Tomé is how much more — and if it's enough to avoid a strike that would throw package delivery into chaos. In what are likely to be the most contentious talks since UPS workers were on strike for 15 days in 1997, the Teamsters union, which represents 340,000 UPS employees, says it seeks to increase wages for part-time workers to more than \$20 an hour and eliminate a controversial two-tiered wage system. On the table will also be demands for air conditioning in vehicles and for blocking inward-facing cameras. Teamsters President Sean O'Brien is promising a hard fight. He won election in late 2021 on a vow to get tougher with UPS and correct what he says was a flawed contract forced on workers in 2018. The union is also shortening the negotiation period with UPS. Talks on the nationwide contract will begin April 16, O'Brien said in an interview. The current contract ends on July 31. "We've got some great arguments on why these folks should be paid," O'Brien said. "We've got a great argument just on how much money the company's been making." The stakes are high for Tomé and the US. UPS delivers about 20 million packages a day in the US, making it the second-largest ground courier behind the US Postal Service. If UPS workers were to walk out, it would likely be impossible for the postal service and rival FedEx Corp. to cover the volume from UPS's customers, which include Amazon.com Inc. A strike now in the era of e-commerce would have a much bigger impact than in 1997, when most

HIGHWAY TRANSPORTATION

Canada

1. UPS faces rising labor costs, strike risk in upcoming union fight, January 30, 2023, www.ajot.com
2. Couriers and Messengers Services Price Index, Dec. 2022, Jan. 31, 2023, www.statcan.gc.ca
3. CTA, Teamsters Urge Labour Ministers to Protect Truck Drivers, Shut Down Driver Inc., February 1, 2023, www.ontruck.ca
4. FedEx to cut management jobs by more than 10%, CEO says, February 1, 2023, www.ajot.com
5. Alchemist finds people-first approach the solution to high turnover, February 3, 2023, www.todaystrucking.com
6. As Part of Major Push to Bring Down Traffic Deaths, USDOT Launches Roadway Safety Call to Action, February 3, 2023, www.dot.gov
7. Logistics jobs in Montreal climb 24 percent, February 3, 2023, www.insidelogistics.ca
8. Provinces differ in ELD enforcement penalties, Feb. 3, 2023, www.todaystrucking.com
9. TFI International Announces 2022 Fourth Quarter and Full-Year Results, February 6, 2023, www.tfiintl.com
10. USDOT Announces More Than \$660 Million Available Through the Port Infrastructure Development Program, February 8, 2023,

packages were sent by businesses and parcel networks operated five days a week instead of non-stop. “It’s pretty clear that it’s going to be spicy,” Ravi Shanker, a Morgan Stanley analyst with an underweight rating on the stock, said of the negotiations. He predicts UPS may increase compensation as much as 10% a year.

2. Couriers and Messengers Services Price Index, December 2022

The Couriers and Messengers Services Price Index (2019=100) for December 2022 is 133.1. It has fallen from 134.7 in November 2022. A year ago it was 73.5 in December 2021.

3. CTA, Teamsters Urge Labour Ministers to Protect Truck Drivers, Shut Down Driver Inc

The Canadian Trucking Alliance (CTA) and Teamsters Canada recently wrote to the Forum of Labour Market Ministers, asking them to jointly develop a plan to crack down on the misclassification scheme know as Driver Inc. CTA and the Teamsters have been sounding the alarm for many years on chronic labour abuses and many other violations by Driver Inc. companies. Their latest effort is to urge each provincial minister of labour to follow in the steps of Federal Minister of Labour Seamus O’Regan in [proclaiming opposition to Driver Inc.](#) and announcing intentions to combat the scheme used by unscrupulous companies involved in the underground economy. CTA and the Teamsters have put together a national enforcement plan which involves both provincial and federal elements.

4. FedEx to cut management jobs by more than 10%, CEO says

FedEx Corp. is cutting global officer and director jobs by more than 10%, the courier’s latest cost-saving measure as economic concerns and waning e-commerce weigh on demand for package delivery. The company plans to consolidate some teams and functions in addition to the headcount reduction, part of an effort to become a “more efficient, agile organization,” Chief Executive Officer Raj Subramaniam said on February 1, 2023 in a memo to employees. The changes will align the size of the network with customer demand, he said. “This process is critical to ensure we remain competitive in a rapidly changing environment, and it requires some difficult decisions,” Subramaniam said in the memo. The latest cuts bring FedEx’s total employee reductions to 12,000 since June, a spokeswoman said.

5. Alchemist finds people-first approach the solution to high turnover

Glen Parsons believes if you treat your people well, success in the trucking industry will follow. As co-owner of Coastal Pacific Xpress (CPX), a company in which he sold his share in 2008, Parsons and his partners shared generously the profits earned in good years. In 2005, it awarded more than \$400,000 in bonuses to employees after an especially successful year. Parsons told TruckNews.com at the time that he considered his employees the company’s most important asset, with customers coming second, and profits a distant third. Now he’s applying the same philosophy to another

trucking company he owns, Alchemist Specialty Carriers in Langley, B.C.

6. As Part of Major Push to Bring Down Traffic Deaths, USDOT Launches Roadway Safety Call to Action

U.S. Transportation Secretary Pete Buttigieg launched on February 3, 2023 the Department’s National Roadway Safety Strategy Call to Action campaign, asking stakeholders to commit to specific actions in 2023 to reduce serious injuries and deaths on our roadways, which have reached crisis levels. More than 40,000 people each year in America are killed in roadway accidents. The Department is also pleased to share 49 voluntary commitments to action from early adopters, including health and safety advocates, the private sector, municipal and law enforcement organizations, and more. “Traffic crashes cost tens of thousands of American lives a year—a national crisis on our roadways—and everyone has an important role to play in addressing it,” said U.S. Transportation Secretary Pete Buttigieg. “Today we

www.dot.gov

11. December 2022 Freight Transportation Services Index (TSI), February 8, 2023, www.bts.gov

12. Partnerships play key role in journey to autonomous trucks, February 8, 2023, www.todaystrucking.com

13. Mullen posts record Q4, turns focus to cost controls and productivity improvements, February 9, 2023, www.todaystrucking.ca

14. CTA: Discussions Around Removal of U.S. Border Restrictions Alongside COVID Emergency Measures Under Consideration, February 9, 2023, www.ontruck.ca

15. ATRI Releases Top 100 Truck Bottlenecks in US, February 10, 2023, www.ontruck.ca

16. CTA, Teamsters Outline Role for Transportation Ministers to Stamp Out Driver Inc, February 13, 2023, www.ontruck.ca

17. CTA Presents Ottawa with Investment Strategy to Help Stabilize Supply Chain, February 15, 2023, www.ontruck.ca

18. Biden-Harris Administration Announces Latest Steps to Deliver a National Network of Convenient, Reliable, Made-in-America Electric Vehicle Chargers, February 15, 2023, www.dot.gov

19. OTA Makes Budget Proposals to Invest in Truck Drivers & Ontario’s Supply Chain, February 16, 2023, www.ontruck.ca

20. Cost management key as trucking conditions deteriorate: FTR, February 16, 2023, www.todaystrucking.ca

21. Emergencies Act crackdown on ‘Freedom Convoy’ was justified: inquiry, February 18, 2023, www.todaystrucking.com

22. Urban public transit, December 2022, February 21, 2023, www.statcan.gc.ca

23. North American Transborder Freight up 3.5% in December 2022 from December 2021, February 21, 2023, www.bts.gov

24. How OTA Members Can Take Advantage of Ottawa’s \$46 Million in Labour Support for Trucking Industry, February 21, 2023, www.ontruck.ca

25. More funding committed to developing hydrogen as a trucking fuel in Alberta, February 21, 2023, www.todaystrucking.ca

26. Cash infusion to support driver training, February 23, 2023, www.insidelogistics.ca

27. 2022-23 Gas Tax Funding by Municipality, February 23, 2023, www.mto-gov.on.ca

28. Shipper conditions see best month in nearly three years, February 23, 2023, www.todaystrucking.com

29. Western IntermodalX acquires Quickload Logistics, Feb 24, 2023, www.todaystrucking.com

are issuing a national call to action and asking all Americans—including private industry, non-profit and advocacy organizations, and every level of government—to join us in acting to save lives on our roadways.”

7. Logistics jobs in Montreal climb 24 percent

Between 2012 and 2021 the number of people working in Montreal’s transport and logistics sector increased 24 percent, growing from 43,700 to 54,100. At the same time, the number of companies in the sector declined from 6,297 to 6,089. These are the top line results of a study produced by consulting firm KPMG for CargoM, the Logistics and Transportation Metropolitan Cluster of Montreal. The study was first carried out in 2013-2014 using data then available on the various transportation segments of road, marine, rail and air to profile the industry. It served as the foundation for the work and projects of the newly formed cluster organization. The added value generated by the logistics and freight transport sector in Greater Montreal is now \$8.7 billion compared to \$4 billion in 2012. Since then, the economic and social context in which the industry operates has greatly changed. Industry players are facing many challenges in a post-pandemic inflationary environment that is putting pressure on global supply chains. The scarcity of labour and the road infrastructure maintenance are adding further pressures on our sector. The sector, however, continues to play a significant role in the economy. The added value generated by the industry in Greater Montreal is now \$8.7 billion compared to \$4 billion in 2012.

8. Provinces differ in ELD enforcement penalties

More than a month into the enforcement of the federal electronic logging device (ELD) mandate, TruckNews.com reached out to provinces and Transport Canada regarding penalties for non-compliance. Canada’s federally regulated carriers face a mandate from Jan. 1 to equip trucks with certified ELDs, and individual provinces are taking different approaches when it comes to penalties. Fines range from no penalties in some provinces to a maximum penalty of \$25,000 in other provinces.

9. TFI International Announces 2022 Fourth Quarter and Full-Year Results

TFI International Inc. a North American leader in the transportation and logistics industry, on December 6, 2023 announced its results for the fourth quarter and full year ended December 31, 2022. 1. Fourth quarter operating income of \$216.9 million increased 1% over the prior year quarter. 2. Fourth quarter net income of \$153.5 million increased 6% compared to Q4 2021, while adjusted net income of \$151.8 million increased 2%. 3. Fourth quarter diluted earnings per share of \$1.74 increased 14% compared to Q4 2021, while adjusted diluted EPS of \$1.72 increased 10%. 4. Fourth quarter net cash from operating activities grew to \$248.3 million, up 30% over the prior year period and free. 5. Cash flow grew to \$188.3 million, up 56% over the prior year period. 6. Full year diluted EPS of \$9.02 increased from \$7.91 in 2021, while adjusted diluted EPS of \$8.02 increased from \$5.23. 7. The Board of Directors approved a \$0.35 quarterly dividend, an increase of 30%. Alain Bédard, Chairman, President and Chief Executive Officer said “TFI International successfully capped 2022 with strong fourth quarter results, generating slightly higher operating income on significantly improved operating margins, a 53% increase in the full-year adjusted diluted EPS and a 26% increase in the full-year free cash flow, despite macro volatility, fuel-related working capital outlays, and the sale of CFI assets last summer that served to strengthen our overall business mix and returns.

10. USDOT Announces More Than \$660 Million Available Through the Port Infrastructure Development Program

The U.S. Department of Transportation’s Maritime Administration (MARAD) has announced a Notice of Funding Opportunity (NOFO) making available more than \$662 million in Federal Fiscal Year (FY) 2023 funding for MARAD’s Port Infrastructure Development Program (PIDP). The PIDP investment will modernize our nation’s ports and help strengthen our supply chains for generations to come, helping to reduce shipping time, costs, and ultimately the costs of goods for the American people. The President’s infrastructure package provides \$450 million annually in funding for the Program.

11. December 2022 Freight Transportation Services Index (TSI)

The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, rose 0.6% in December 2022 from November 2022, rising for the first month after two months of decline, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS). From December 2021 to December 2022 the index rose 0.5%.

12. Partnerships play key role in journey to autonomous trucks

The journey toward highly autonomous trucks continues, and there seems to be no shortage of paths to get there. Most of today’s test fleets focus on jurisdictions like New Mexico, Arizona and Texas, where routes are clear, and any snow or ice is a meteorological freak of nature. And with few exceptions, “safety drivers” remain within reach of the controls as the early vehicles complete their digitally driven business — largely in the form of well-defined, hub-to-hub, on-highway shipments. But that’s where many similarities end. Autonomous vehicle systems are anchored in unique software stacks that read the world around them by drawing on a mix of camera images, radar signals, Lidar pulses, and artificial intelligence. And the underlying tests have seen an array of partnerships incorporating known and emerging

suppliers and fleets alike. Daimler Truck has gone so far as to embrace a dual strategy. While it runs Torc Robotics as an independent subsidiary, Waymo (formerly known as Google’s self-driving car project) also has access to the OEM’s autonomous truck platform — a Freightliner Cascadia equipped with redundant braking, steering, low-voltage power network and communications systems.

13. Mullen posts record Q4, turns focus to cost controls and productivity improvements

Acquisitions, fuel surcharges, and rate increases pushed Mullen Group’s Q4 revenue and net income to record highs. “It took a total team effort, some very favorable market conditions, and a strong economy to produce the 2022 results,” chairman and senior executive officer Murray Mullen said in a press release. “Our people, especially the frontline workers, worked tirelessly to meet the surge in freight demand and still maintain superior customer service. I know it was no easy task last year.” Mullen said supply chain disruptions and shortages of key equipment helped improve pricing, but also acknowledged market conditions are changing. “We have already shifted to managing the new market conditions, highlighted by rising interest rates and stubbornly high inflation. Under these macro conditions it is rational to conclude that consumer spending will moderate and the general economy will slow,” he said. Q4 revenue totaled \$502.7 million, a 12.8% increase year over year, while Mullen generated \$2 billion in revenue on the year, up 35.3%. Profits for the fourth quarter jumped 204.5% to \$61.5 million and were up 119% for the full year, to \$158.6 million.

14. CTA: Discussions Around Removal of U.S. Border Restrictions Alongside COVID Emergency Measures Under Consideration

US President Biden recently announced the pending removal of COVID-19 public health emergency measures in the U.S. on May 11, 2023, signaling a possible end to pandemic conditions and a shift towards an endemic state. However, there has not yet been a clear U.S. Government message on the timing and removal of U.S. border vaccine restrictions. CTA has continued to work with the American Trucking Associations (ATA), U.S. and Canadian officials and other stakeholder groups regarding the removal of border vaccine restrictions on non-U.S. citizens. This move would align with the Government of Canada which removed all COVID-19 related restrictions, including Canadian border vaccine requirements last October.

15. ATRI Releases Top 100 Truck Bottlenecks in US

The American Transportation Research Institute (ATRI) has released its 12th annual list highlighting the most congested bottlenecks for trucks in America. The 2023 Top Truck Bottleneck List measures the level of truck-involved congestion at more than 300 locations on the national highway system. For the fifth year in a row, the intersection of I-95 and SR 4 in Fort Lee, N.J., is the top freight bottleneck in the U.S. The top three includes Chicago: I-294 at I-290/I-88 and Houston: I-45 at I-69/US 59.

16. CTA, Teamsters Outline Role for Transportation Ministers to Stamp Out Driver Inc

Taxation avoidance and labour abuse are arguably the main areas of delinquency by Driver Inc companies, but their unscrupulous behaviour often spills into highway and equipment safety non-compliance, say the Canadian Trucking Alliance and Teamsters Canada. In a joint letter to the Council of Ministers Responsible for Transportation and Highway Safety, CTA and Teamsters Canada outlined how Driver Inc companies often exhibit a pattern of recklessness and non-compliance in virtually all areas of their operations, including safety. Data from Ontario’s WSIB and MTO, for example, shows “how the on-road safety performance records of Driver Inc. corporations captured under WSIBs enforcement efforts show a clear trend of non-compliance having a spillover effect into the areas of safety management,” the latter states. “This puts at further risk the drivers working for these operations (who lose all labour rights protections, overtime pay and vacation) and the Canadian motoring public that unfortunately must share the road with the vehicles these companies operate across our highway network.”

17. CTA Presents Ottawa with Investment Strategy to Help Stabilize Supply Chain

Throughout 2022, the Government of Canada worked on several commitments to the trucking industry to help secure the supply chain. While much progress has been made, the Canadian Trucking Alliance continued to echo the need to continue working with the sector to secure the supply chain. Key items in CTA’s recent 2023 prebudget submission, include: 1. Institutionalized training funding for the trucking industry; 2. Driver Inc enforcement on both labour and tax evasion abuses; 3. Actioning Supply Chain Task Force Recommendations; 4. Environmental Action Plan for Trucking Industry; 5. Investment in Border Programs and Technologies; and 6. Rest Stop Investment along Trans-Canada Highway. “CTA has outlined a plan for continued collaboration between our industry and Ottawa, which will build upon the progress we are making to strengthen our sector and, by extension, the entire supply chain that relies on the trucking industry’s critical services, said CTA Chair Greg Munden.

18. Biden-Harris Administration Announces Latest Steps to Deliver a National Network of Convenient, Reliable, Made-in-America Electric Vehicle Chargers

On February 15, 2023, the Biden-Harris Administration announced its latest actions to advance the President’s vision of building 500,000 EV chargers by 2030 and delivering a convenient, reliable, and Made-in-America electric vehicle (EV) charging network. These next steps – publishing minimum standards for federally funded EV infrastructure,

finalizing the Build America, Buy America implementation plan for EV charging equipment, and announcing that cities, towns, Tribes, and states will soon be able to apply for the first round of \$2.5B in competitive grants to build EV charging stations in communities across the country – will electrify the great American road trip. *U.S. Transportation Secretary Pete Buttigieg* said “This is a major step toward a world where every EV user will be able to find safe, reliable charging stations anywhere in the country.”

19. OTA Makes Budget Proposals to Invest in Truck Drivers & Ontario’s Supply Chain

Almost every sector of the Ontario economy is reliant on the trucking industry to move its goods and supplies. An investment in the trucking industry is an investment in the health and sustainability of all aspects of the provincial economy. OTA’s investment plan, includes: 1. The Government of Ontario’s Skills Development Fund should invest in preliminary driver training as well employment-ready training for the for-hire trucking industry; 2. The Ontario Budget must support Minister Mulroney’s plan to expand truck driver rest areas across Northern and Southern Ontario; 3. The Government of Ontario must continue to make the construction of the Bradford By-Pass and Hwy 413 a priority; 4. The Government of Ontario should invest in the creation of two vocational schools, similar to popular and successful training schools in Quebec, which specialize in graduating highly skilled, work-ready truck and transit drivers as well as heavy duty vehicle technicians; 5. The Government of Ontario should invest in more WSIB enforcement officers to protect truck drivers whose labour rights are being violated by Driver Inc. trucking fleets and temporary placement agencies.

20. Cost management key as trucking conditions deteriorate: FTR

Trucking conditions were “broadly negative” in December 2022, according to FTR’s Trucking Conditions Index (TCI), but were slightly better than the previous month thanks to lower diesel prices. The -6.1 reading was an improvement from November’s -7.94. However, the industry forecaster noted freight volumes, capacity utilization and rates were all unfavourable in December. The rates component of the index was its lowest level since May 2020. FTR is expecting negative readings to persist until late 2024.

21. Emergencies Act crackdown on ‘Freedom Convoy’ was justified: inquiry

A public inquiry has determined that the federal government was justified in using the *Emergencies Act* to crack down on ‘Freedom Convoy’ protests – but was still critical of steps such as a decision to suspend vehicle insurance in these efforts. The findings come in a 2,000-page report from the Public Order Emergency Commission, which heard 300 hours of testimony and received more than 9,000 documents concerning the protests that spread from Ottawa to international border crossings in early 2022. Finance Minister Chrystia Freeland and her cabinet colleagues had testified that the protests at the border with the U.S., particularly the blockade of the Ambassador Bridge in Windsor, Ont., threatened Canada’s economy and its international reputation as a reliable trading partner.

22. Urban public transit, December 2022

In December 2022, urban transit ridership in Canada reached 107.6 million trips, recovering more than two-thirds (70.2%) of its December 2019 pre-COVID-19 pandemic level. In 2022, there were about 1.2 billion total passenger trips made on Canada’s urban transit networks, more than the 778.4 million trips recorded in 2021 but just 61.7% of the 2019 total.

23. North American Transborder Freight up 3.5% in December 2022 from December 2021

Transborder freight between the U.S. and North American countries (Canada and Mexico) in December 2022 were as follows: 1. Total transborder freight: \$121.7 billion of transborder freight moved by all modes of transportation, up 3.5% compared to December 2021; 2. Freight between the U.S. and Canada totaled \$60.7 billion, up 0.2% from December 2021; 3. Freight between the U.S. and Mexico totaled \$61.0 billion, up 7.0% from December 2021; 4. Trucks moved \$73.9 billion of freight, up 5.8% compared to December 2021; 5. Railways moved \$16.0 billion of freight, down 2.1% compared to December 2021; 6. Pipelines moved \$10.2 billion of freight, down 4.1% compared to December 2021; 7. Vessels moved \$10.3 billion of freight, up 8.9% compared to December 2021; and 8. Air moved \$5.2 billion of freight, down 0.4% compared to December 2021. US- Canada trade was as follows: truck: \$31.7b; pipeline \$9.2b; rail \$8.7b; vessel \$3.3b; and air \$3.3b.

24. How OTA Members Can Take Advantage of Ottawa’s \$46 Million in Labour Support for Trucking Industry

On February 21, 2023, the Government of Canada officially announced a \$46 million program to help the industry deal with the driver shortage and training of potential truck drivers and transportation workers. “This is great news for the Ontario trucking industry,” said OTA Chair James Steed, “There will undoubtedly be a lot of immediate interest from the trucking industry to receive some of this funding, so I encourage OTA members to act quickly to make use of this great opportunity.” This program offers financial incentives and grants to employers across the trucking and logistics sector. There are five ways carriers can take advantage of the program: 1. New Driver Training Grants for All Ages; 2. New Wage Incentives for In-demand Jobs; 3. Student Work Placements; 4. Employer Wage Incentives for Youth; 5. Training Grants for New Youth Driver Recruits

25. More funding committed to developing hydrogen as a trucking fuel in Alberta

Hydra Energy and Innovative Fuel Systems have received funding from the Alberta Hydrogen Centre of Excellence (HCOE) to prove the viability of hydrogen fuel in heavy-duty transport. A total of \$20 million was awarded to 18 organizations through HCOE's first round of funding. Hydra Energy will receive \$550,450 and Innovative Fuel Systems \$2 million, to demonstrate the viability of dual fuel systems that displace diesel with hydrogen. The HCOE funds up to 50% of eligible costs for successful projects. "Unlocking the potential of clean hydrogen is an essential part of the federal government's plan for a prosperous economic future in Alberta and across Canada. I'm pleased to be working with the provincial government to realize that potential," said Minister of Natural Resources Jonathan Wilkinson. The HCOE is led by Alberta Innovates. The centre is a funding program, testing and service facility, and forum for facilitating partnerships to de-risk hydrogen technology development.

26. Cash infusion to support driver training

A \$46.3 million federal contribution will help Trucking Human Resources Canada support to recruitment and training of 2,600 new drivers and supply chain workers. The funding comes under the Sectoral Workforce Solutions Program. The organization's Driving Economic Recovery project will provide training subsidies and wage subsidies to support the recruitment, training and onboarding of up to 1,400 new truck drivers and 1,200 workers for other in-demand occupations within the trucking sector. "The trucking and logistics sector supports every key economic sector and is critical to Canada's economic success. Expanding and building on the success of our Sectoral Workforce Solutions Program was a specific recommendation in the National Supply Chain Task Force Report," said Angela Splinter, CEO of Trucking HR Canada. "We are proud to see this important investment that will directly support industry employers in addressing labour shortages with the hardest-to-fill roles, while also connecting and preparing Canadians for well-paying jobs in our sector."

27. 2022-23 Gas Tax Funding by Municipality

The Ontario government is providing more than \$379.5 million to help 107 municipalities operate and improve local transit. The funding is being delivered through the gas tax program and can be used to extend service hours, buy transit vehicles, add routes, improve accessibility or upgrade infrastructure.

28. Shipper conditions see best month in nearly three years

Conditions for U.S. shippers improved in December 2022, with the FTR Shippers Conditions Index jumping to 10.32 from a November 2022 reading of 3. Industry analyst FTR says the improvement was largely due to a huge drop in fuel prices in December 2022, but lower freight rates, looser capacity utilization, and lighter volumes all contributed to the improved conditions for shippers. It was the best reading since May 2020.

29. Western IntermodalX acquires Quickload Logistics

Western IntermodalX has acquired Quickload Logistics — a company that among other services offers drayage support at the Port of Prince Rupert, B.C. Western IntermodalX operates a cross dock at the Port of Vancouver Logistics Hub, under the Interhold brand, as well as multimodal transload facilities in Richmond and Prince Rupert, running under the Coast 2000 brand. The acquisition is subject to customary closing conditions.

GENERAL TRANSPORTATION

Canada

1. Borderlands: Port Laredo No. 1 for US-Mexico agricultural trade, report shows

The report indicates the following: 1. Port Laredo is the No. 1 for of entry for US-Mexico agricultural trade. The Laredo customs district encompasses nine entry points across South Texas, including Del Rio, Eagle Pass, Laredo, Rio Grande City, Roma, Edinburg Airport, Progreso, Valley International Airport in Harlingen and Brownsville. The Laredo customs district handled 49% of U.S. agricultural exports to Mexico and 52% of imports from Mexico during the first 10 months of the year. 2. RJW Logistics is to open a shipping hub near Dallas; 3. Palos Garza Group recently began construction of a new 155,000-square-foot logistics facility in Nuevo Laredo, Mexico; and 4. Japanese air conditioning manufacturer, Daikin is investing \$300M in Mexico.

2. Canadian imports tainted by child labour reach \$48 billion

Canadian connections to child and forced labour continue to worsen, creating urgency for government action, according to a new report released this week by aid agency *World Vision Canada*. The *Supply Chain Risk Report 2023* reveals that the value of Canadian imports of everyday products, like electronics and clothing, that are at risk of being produced by child or forced labour, has increased to \$48 billion as of 2021. The report shows a surge in imports of

GENERAL

TRANSPORTATION

Canada

1. Borderlands: Port Laredo No. 1 for US-Mexico agricultural trade, report shows, January 29, 2023, www.freightwaves.com
2. Canadian imports tainted by child labour reach \$48 billion, January 27, 2023, www.insidelogistics.ca
3. President Biden Announces First of its Kind Infrastructure Investment for Nine Nationally Significant Mega Projects, January 31, 2023, www.dot.gov
4. Canada's transportation supply chains are near breaking point, January 31, 2023, www.financialpost.ca
5. US sets up dispute panel on Canadian dairy quotas under trade deal, January 31, 2023, www.ajot.com
6. Worst UK strikes for a decade shut schools, cripple rail network, January 31, 2023, www.ajot.com
7. U.S. Transportation Sector Unemployment Rate of 4.7% in January 2023 Was Same As the January 2022 Level

risky goods of over 50 percent in the last ten years, including a 71 percent increase in electronics to \$22.1 billion, a 67 percent increase in clothing to \$10.7 billion, and more than 869 percent increase in imports of protective rubber gloves to more than \$800 million in 2021. World Vision Canada warns the problem is worsening due to climate change, conflict, Covid-19 and rising costs, leading to conditions that mean the number of child labourers has increased for the first time in two decades. Now, 160 million boys and girls are trapped in child labour, including 79 million who work in jobs that are dirty, dangerous and degrading.

3. President Biden Announces First of its Kind Infrastructure Investment for Nine Nationally Significant Mega Projects

New Mega Grant program, created by the President's infrastructure law will bring massive economic benefits to communities across the nation. On January 31, 2023, President Biden and Transportation Secretary Pete Buttigieg announced that the Biden-Harris Administration has awarded nearly \$1.2 billion from the new National Infrastructure Project Assistance (Mega) discretionary grant program for nine projects across the country. These projects will create good-paying jobs, grow the economy, strengthen supply chains, improve mobility for residents, and make our transportation systems safer for all users. "From the Hoover Dam to the Golden Gate Bridge, some infrastructure projects are so large and complex that they defy traditional funding systems—and so significant that they become iconic parts of the American landscape," said U.S. Transportation Secretary Pete Buttigieg. "After receiving over one hundred applications, we are proud to fund these nine infrastructure megaprojects across the country to create jobs, strengthen our supply chains, expand our economy, and renew America's built landscape."

4. Canada's transportation supply chains are near breaking point

A highway in B.C. is washed out by flooding. From the global pandemic to the

wildfires and flooding in British Columbia, to physical disruptions due to blockades and strikes, Canada's transportation system has suffered severe disruptions. Just over a hundred days have now passed since the Supply Chain Task Force's independent report to the federal government indicated that "Canada's transportation supply chain is nearing its breaking point." And even though task forces are typically established to urgently address a problem in need of a solution, Canadian businesses are still waiting on concrete action to improve the transportation infrastructure and supply chains that serve as a cornerstone of our economy.

5. US sets up dispute panel on Canadian dairy quotas under trade deal

The US set up a second dispute-settlement panel to resolve differences with Canada over its dairy quotas, saying Ottawa is still undermining access to its market under a trade deal between the nations. While Canada changed its quota allocations after a panel found in December 2021 that its measures were inconsistent with its obligations under the pact, its new policies "have not fixed the problem," US Trade Representative Katherine Tai said in a statement on January 31, 2023. The neighbors didn't resolve Washington's concerns about Ottawa's practices at a Jan. 17 meeting, the third round of consultations under the US-Mexico-Canada trade agreement. The USTR said the calculations based on market share prohibit eligible applicants — including retailers and food-service operators — from accessing allocations. Under the USMCA that took effect in July 2020, Canada conceded to granting more duty-free or lower tariff access across dairy products including milk, cream, cheese, yogurt and ice cream via a tariff-rate quota, or TRQ. But Canada was allocating the bulk of those imports to processors, limiting the ability of other groups like retailers to buy US product. Canada is disappointed with the US request for another panel, Trade Minister Mary Ng said.

6. Worst UK strikes for a decade shut schools, cripple rail network

Swaths of office staff will be forced to work from home February 1, 2023 as widespread industrial action closes schools and cripples Britain's rail network. As many as 475,000 union members are on strike, demanding pay rises that do more to combat the cost-of-living crisis. Many were given salary increases of less than 5% last year, even as inflation climbed above 10%. Major train stations in London will be completely closed, including Victoria, Cannon Street, Marylebone and London Bridge, while more than a dozen key commuter rail lines said they won't be running any services. Some 85% of schools in England and Wales will be closed or partly shuttered, according to the National Education Union. The day of coordinated industrial action is expected to be Britain's most severe day of strikes for over a decade, piling pressure on Prime Minister Rishi Sunak's Conservative administration to resolve disputes with public sector workers by making more generous offers on pay. Train drivers, teachers, university staff and civil servants

of 4.7% And Was Above the Pre-Pandemic January Level of 3.4% in 2020, February 4, 2023, www.bts.gov

8. Logistics execs say they are 'bracing for recession', February 7, 2023, www.insidelogistics.ca

9. USDOT Announces \$1.7 Million in Available Funding for Small Business Innovation Research Program, February 7, 2023, www.dot.gov

10. Biden's 2023 State of the Union: President appeals to Republicans to work together on debt ceiling, February 8, 2023, www.cnbc.com; and Biden makes a pitch to 'finish the job' in his State of the Union address, February 7, 2023, www.npr.org

11. Robot sales hit new high in 2022, February 13, 2023, www.insidelogistics.ca

12. Leading indicator of international arrivals to Canada, January 2023, February 13, 2023, www.statcan.gc.ca

13. Economic volatility rises in annual business risk monitor, February 10, 2023, www.insidelogistics.ca

14. Minister of Transport announces a new call for proposals to support projects that will strengthen our supply chains through the digitalization of infrastructure, February 13, 2023, www.tc.gc.ca

15. Traffic flow dashboard, February 14, 2023, www.statcan.gc.ca

16. Carbon Clean 200 companies outperform dirty energy by 30%, February 23, 2023, www.ajot.com

all plan to protest together. “We know there will be significant disruption given the scale of strike action,” Sunak’s spokesman, Max Blain, told reporters in London on January 31, 2023. “That will be very difficult for the public trying to go about their daily lives.” More than half the public believe Sunak’s government is doing a bad job of negotiating with unions to avoid public sector strikes, according to an Ipsos poll published on February 1, 2023. Just 17% think ministers are doing a good job, while nearly a third — 31% — said Keir Starmer’s opposition Labour party would be handling the situation better if it was in power. The strike by teachers in particular is likely to be disruptive, because many parents will have to stay at home as a result. More than 100,000 teachers are expected to walk out of 23,000 schools in England and Wales.

7. U.S. Transportation Sector Unemployment Rate of 4.7% in January 2023 Was Same As the January 2022 Level of 4.7% and Was Above the Pre-Pandemic January Level of 3.4% in 2020

The unemployment rate in the U.S. transportation sector was 4.7% (not seasonally adjusted) in January 2023 according to Bureau of Labor Statistics (BLS) data recently updated on the Bureau of Transportation Statistics (BTS) [Unemployment in Transportation dashboard](#). The January 2023 rate remained unchanged from 4.7% in January 2022 and was above the pre-pandemic January level of 3.4% in January 2020. 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 above overall unemployment. BLS reports that the U.S. unemployment rate, not seasonally adjusted, in January 2023 was 3.9% or 0.8 percentage points below the transportation sector rate. Seasonally adjusted, the U.S. unemployment rate in January 2023 was 3.4%.

8. Logistics execs say they are ‘bracing for recession’

Nearly 70 percent of global logistics executives say they are bracing for recession amid higher costs, slowing demand, and ongoing supply chain disruption arising from China’s battle to contain COVID, Russia’s war in Ukraine, and the impact of climate change. Ninety percent of the 750 industry professionals surveyed for the 2023 Agility Emerging Markets Logistics Index also say their shipping, storage and other logistics costs remain well above pre-pandemic levels of early 2020. “Carriers and shippers are feeling the effects of higher energy prices, tight labor markets and broader inflation even though freight rates have fallen and ports have cleared cargo backlogs,” said Agility vice-chairman Tarek Sultan. “Three years after the start of the pandemic, there is still a lot of volatility in supply chains. Now there’s fresh uncertainty as consumers and businesses pull back on spending and hiring.”

9. USDOT Announces \$1.7 Million in Available Funding for Small Business Innovation Research Program

The U.S. Department of Transportation (USDOT) is now accepting proposals for funding from its Small Business Innovation Research (SBIR) program. The SBIR Program awards contracts to small businesses across the country to spur research and commercialization of innovative transportation technologies in select research areas. The current SBIR Solicitation provides funding ranging from \$150,000 to \$200,000 for ten Phase I research topics. “Small businesses are essential to our economy, and this program plays an important role in advancing America’s economic competitiveness by supporting domestic small businesses while stimulating technological innovation that can improve our transportation systems and lead to further economic growth,” said Deputy Assistant Secretary for Research and Technology Dr. Robert C. Hampshire.

10. Biden’s 2023 State of the Union: President appeals to Republicans to work together on debt ceiling

U.S. President Joe Biden called for unity in a sharply divided Congress as he made a spirited appeal to Republicans to raise the \$34.1 trillion debt ceiling in the annual State of the Union speech on the night of February 7, 2023. Biden touted U.S. job growth, his infrastructure program, drug price cuts for seniors and the rise in domestic manufacturing as he sparred with Republicans over higher taxes on billionaires and immigration reform. He also touched on the war in Ukraine, oil dependency and America’s strategic competition with China in the annual address to Congress. Biden urged Congress to pass a lengthy list of his unfinished priorities. “There’s so much more to do,” he said, calling on lawmakers to pass policing reform and immigration legislation; codify abortion rights, and cap the price of insulin for all at \$35 a month.

11. Robot sales hit new high in 2022

Driven by the resurgence in robot orders from automotive companies, the North American robotics market set all-time records in both robots sold and value in 2022. According to a report from the Association for Advancing Automation (A3), North American companies ordered 44,196 robots valued at US\$2.38 billion last year, representing increases of 11 percent in numbers and 18 percent in value, respectively, over 2021, the previous record. More than 50 percent of sales came from the automotive industry, which ordered 23,807 robots, up from 16,752 in 2021. While orders from non-automotive industries slowed from the previous three years, unique applications continued to emerge in such industries as food services, construction and agriculture, such as robots cooking and serving food, dry walling, and even harvesting and picking. In the first nine months of 2022, North American companies purchased 35,804 robots, up 24 percent over the same period in 2021. While fourth-quarter orders slowed, with companies ordering only 8,392 robots, total numbers for the year from all industries resulted in the 11 percent record over 2021.

12. Leading indicator of international arrivals to Canada, January 2023

In January 2023, the number of international arrivals to Canada—non-resident visitors and returning Canadians—more than tripled from January 2022 but has not yet reached levels recorded before the COVID-19 pandemic. The 379,000 non-resident visitors who arrived from abroad at Canadian airports equipped with electronic sensors in January were more than three times those who arrived the same month in 2022. In January, US residents took 565,700 trips to Canada through land ports with electronic sensors, over 439,300 more than in January 2022. Meanwhile, the 1.7 million Canadian residents who returned from visiting abroad via kiosk-equipped airports in January nearly tripled those from the same month in 2022. Compared with January 2022, Canadian residents returned from 1.0 million more trips to the United States—for a total of 1.4 million—through land ports with electronic sensors. This release provides a first glimpse of international arrivals to Canada in January 2023. Complete counts for the January reference month will be available with the release of "Travel between Canada and other countries" on March 22, 2023.

13. Economic volatility rises in annual business risk monitor

Macroeconomic developments such as inflation, financial market volatility and a looming recession, as well as the impact of the energy crisis are the top risers in this year's list of global business risks, as the economic and political consequences of the world in the aftermath of Covid-19 and the Ukraine war take hold. Cyber incidents and business interruption rank as the biggest company concerns for the second year in succession. The Allianz Risk Barometer is an annual business risk ranking compiled by Allianz Group's corporate insurer Allianz Global Corporate & Specialty (AGCS), together with other Allianz entities, which incorporates the views of 2,712 risk management experts in 94 countries and territories including CEOs, risk managers, brokers and insurance experts. It is being published for the 12th time.

14. Minister of Transport announces a new call for proposals to support projects that will strengthen our supply chains through the digitalization of infrastructure

On February 13, 2023, the Minister of Transport, the Honourable Omar Alghabra, announced the launch of a new call for proposals, under the National Trade Corridors Fund, which is called Advancing Supply Chain Digitalization. Transport Canada will commit up to \$50 million to support eligible projects. Under the new call, Transport Canada is seeking industry-led projects that strengthen Canada's digital infrastructure. Projects supported will: 1. increase the efficiency and reliability of our transportation supply chains; 2. relieve bottlenecks; 3. ensure Canadians have access to all the affordable products and goods that they need; and 4. help develop digital solutions and optimize Canada's supply chains. Applicants are invited to submit a Streamlined Project Proposal to Transport Canada by April 11, 2023, at 17:00 Eastern Standard Time, through the National Trade Corridors Fund online application portal. This new call for proposals is one of many actions being undertaken under the broader \$136 million Advancing Industry-Driven Digitalization of Canada's Supply Chain initiative, which aims to develop digital solutions to optimize and strengthen Canada's supply chains.

15. Traffic flow dashboard

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

16. Carbon Clean 200 companies outperform dirty energy by 30%

As You Sow and Corporate Knights on February 23, 2023 released their 10th update of the Carbon Clean 200™, a list of 200 publicly traded companies worldwide that are leading the way among their global peers to a clean energy present and future. Key findings include: 1. Clean200 companies generated a total return of 91.21% beating the MSCI ACWI broad market index (87.84%) and MSCI ACWI/Energy Index of fossil fuel companies, (61.31%) on Total Return Gross — USD Basis from the Clean200 inception of July 1, 2016 to Jan. 31, 2023. 2. \$10,000 invested in the Clean200 on July 1, 2016, would have grown to \$19,121 by Jan. 31, 2023, versus \$16,131 for the MSCI ACWI/Energy benchmark for fossil fuel companies. 3. The top 10 companies that contributed the most to the Clean200's outperformance over the past year were primarily from China, the U.S., South Korea, and Sweden. They include electric vehicles, organic foods, energy conservation solutions, and renewable energy themes. "In 2016 we created the Clean200 in response to investors saying, 'if we divest fossil fuels there is nothing to invest in,'" said Andrew Behar, CEO of As You Sow and report co-author. "The Clean200 has demonstrated consistently that what we called the 'clean energy' future seven years ago is now the clean energy present. This year, the scale and global diversity of leading companies continue to expand and redefine the term cleantech to be any company that has products and services that will reduce demand for fossil fuels and water." The top 10 companies on the list by revenue include Apple Inc., which offers sustainably-certified phones and laptops; Alphabet Inc. which includes its web mapping platform; Deutsche Telekom AG.; Verizon Communications Inc. — both in telecommunications services; and Tesla Inc. for its electric vehicles. Thirty-five countries are represented in the Clean200, including the U.S. (42), China (21), Japan (16), Canada (12), and France (11).