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Transportation's Top Stories

## Air Transport Updates

### CANADA

#### Air Canada Reports Third Quarter 2022 Financial Results



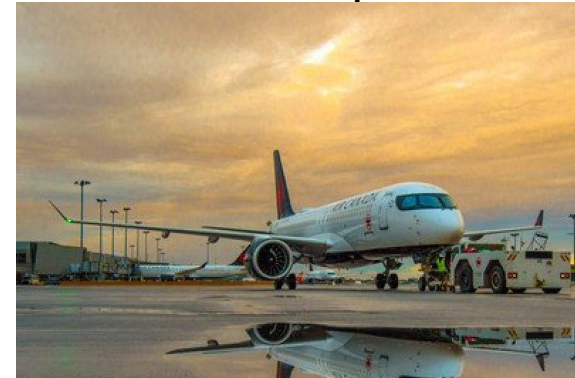
Source: Air Canada

Air Canada on October 28, 2022 reported its third quarter 2022 financial results. "Air Canada's solid third quarter results stem from the ongoing restoration of our extensive network, an improved operational performance, our modern and efficient fleet, as well as leading products and services, and an incredible team of employees," said Michael Rousseau, President and Chief Executive Officer of Air Canada. The major highlights were as follows: 1. Operating margin of 12.1 per cent, first positive quarterly operating margin since the pandemic began; 2. Operating revenues of \$5.322 billion, more than double the third quarter of 2021; 3. Net loss of \$508 million compared to a net loss of \$640 million in the third quarter of 2021; 4. EBITDA margin of 19.9 per cent for the third quarter of 2022; and 5. Total liquidity of over \$10.2 billion at September 30, 2022. "We generated \$644 million in operating income with a strong operating margin of 12.1 per cent. This was the first quarter since the pandemic began in which we delivered positive operating income. In addition, we achieved significant improvements in other metrics from a year ago. Operating revenues more than doubled to \$5.3 billion, on a capacity growth of 130 per cent, and EBITDA increased to over a billion, with a margin of 19.9 per cent. Yields also improved, helping offset higher fuel

prices. Air Canada Cargo is consistently contributing to our results and Aeroplan is continuing to perform extremely well with travel's return. Our transformed loyalty program's gross billings from points sold, purchase volume on co-brand cards, and new members are all at record highs.

*Air Canada Reports Third Quarter 2022 Financial Results, October 28, 2022, [www.aircanada.ca](http://www.aircanada.ca)*

#### Air Canada commits to 15 new planes



Source: Insidelogistics

Air Canada has converted options for 15 Airbus A220-300 aircraft into firm orders, bringing to 60 the total number of the Canadian-built aircraft it will acquire for its fleet. "This expanded order for the A220, built up the road from our Montreal headquarters, is an important development in the modernization of our fleet and a clear indication that we are emerging from the pandemic solidly positioned for the future. The A220 has become a mainstay of our narrowbody fleet, and its performance and passenger comfort are enabling us to compete effectively in the North American market," said Michael Rousseau, president and chief executive of Air Canada. "We are also proud to support the Canadian aerospace industry. This increased order will

support jobs at Airbus's Mirabel factory and affirms Air Canada's positive economic impact in Montreal, Quebec and throughout Canada."

*Air Canada commits to 15 new planes, October 31, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca)*

### **Government of Canada makes important investments at Windsor International Airport**

On October 28, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that the Government of Canada is making important safety investments at the Windsor International Airport. Through Transport Canada's Airports Capital Assistance Program, the Government of Canada is providing the airport with \$180,000 for the purchase of a 4x2 plow truck to be used to remove and control snow and ice. This investment is in addition to the more than \$200,000 provided to the airport under the Program in May 2021, to purchase a loader.

*Government of Canada makes important investments at Windsor International Airport, October 28, 2022, [www.tc.gc.ca](http://www.tc.gc.ca)*

### **Cargojet sees double digit revenue growth in third quarter**



Source: Insidelogistics

Cargojet Inc. credits its new strategy for a high performing third quarter, as the company adapts to uncertain customer demands while keeping a close eye on the economy. The Mississauga, Ont.-based company, which provides time-sensitive overnight air freight services and aircraft leases, said it will continue to focus on long-term commercial contracts to protect against tightening consumer demand. The company on October 31, 2022 reported a 20 percent revenue

growth for the quarter ended Sept. 30 even as the effects of inflation weighed on consumer demand. Cargojet will continue to "monitor various macro risks including a potential recession, which may have an impact on consumer spending," chief executive officer Ajay Virmani said in a statement accompanying the results. The company reported a profit of \$83.4 million compared with a loss in the same quarter a year ago as the demand for e-commerce goods persists.

*Cargojet sees double digit revenue growth in third quarter, November 1, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca)*

### **Lights, camera, action: WestJet's inaugural flight between Winnipeg and Los Angeles takes off**



Source: Westjet

WestJet on October 31, 2022 celebrated the highly anticipated inaugural flight between Winnipeg and Los Angeles. The departure of flight WS1315 at 7:00 a.m. local marked a major milestone for Manitoba's tourism, trade and business sectors as Winnipeg gains a seamless four-hour link to the globally renowned film and entertainment mecca. "With a thriving film and television industry, our Manitoban guests and partners have long awaited this integral connection and will benefit substantially from convenient flights between both cities," said John Weatherill, WestJet Chief Commercial Officer. "As the only airline providing direct connectivity between Winnipeg and Los Angeles, this route not only supports our efforts to bolster the economic success of the communities we serve but provides a vital link that will stimulate new business, investment and tourism opportunities."

*Lights, camera, action: WestJet's inaugural flight between Winnipeg and Los Angeles takes off, October 31, 2022, [www.westjet.ca](http://www.westjet.ca)*

## ✈️ Porter Aviation Holdings Inc., OIAA investing over \$65 million at Ottawa International Airport

Porter Aviation Holdings Inc., parent company of Porter Airlines, and the Ottawa International Airport Authority (OIAA) are investing over \$65 million dollars in YOW's future. Porter is in the process of building two aircraft hangars, over approximately 150,000 sq. ft., to maintain its growing fleet, featuring the new Embraer E195-E2 and existing De Havilland Dash 8-400. OIAA is constructing a new taxiway and related infrastructure to support the hangar development, as well as future opportunities in this section of the airport. The hangars are being built in two phases: phase one is scheduled for completion by the end of 2023, and phase two in the first quarter of 2024. YOW will be a primary maintenance base for the E195-E2, with Porter hiring 200 local team members, including 160 Aircraft Maintenance Engineers (AMEs). Other positions include shop technicians, stores clerks and administrative support. These represent highly-skilled roles that will be based in the city. Additionally, 150 construction jobs will be supported during the building process.

*Porter Aviation Holdings Inc., OIAA investing over \$65 million at Ottawa International Airport, November 1, 2022, [www.flyporter.com](http://www.flyporter.com)*

## ✈️ Minister of Transport launches the Commemoration Fund for the Victims of the Ethiopian Airlines Flight 302 Tragedy

To honour the memory of those who lost their lives in the Ethiopian Airlines Flight 302 air accident, on November 2, 2022 the Minister of Transport, the Honourable Omar Alghabra, announced the creation of the Commemoration Fund for the Victims of the Ethiopian Airlines Flight 302 Tragedy. Developed in consultation with the families of the Canadian victims, the Commemoration Fund for the Victims of the Ethiopian Airlines Flight 302 Tragedy will provide financial support for initiatives that honour and preserve the memory of the victims in a visible and meaningful way with long lasting and impactful results related to causes aligned with the diverse interests and passions of the victims. The Fund is comprised of two components: 1. Scholarships; and 2. Commemorative Projects.

*Minister of Transport launches the Commemoration Fund for the Victims of the Ethiopian Airlines Flight 302 Tragedy, November 2, 2022, [www.tc.gc.ca](http://www.tc.gc.ca)*

## ✈️ WestJet investing in the future of sustainable aviation fuel in Canada



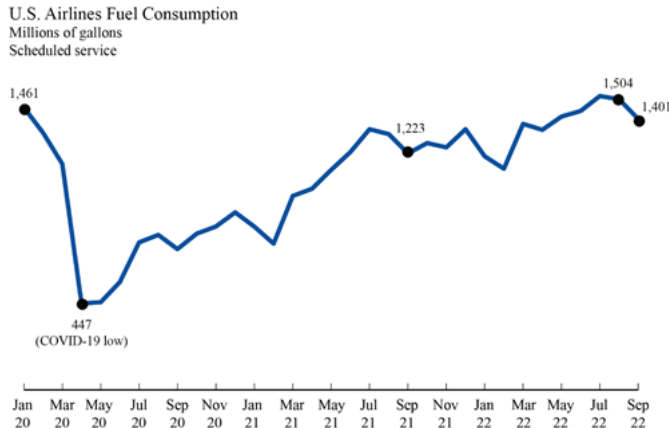
Source: WestJet

WestJet on November 3, 2022 announced a three-month commitment to operating all flights, from San Francisco International Airport (SFO) to Calgary International Airport (YYC) with sustainable aviation fuel (SAF) produced by Neste, the world's leading producer of renewable fuels. The SAF Destination program, a first of its kind in Canada, underpins WestJet's commitment to sustainability and decarbonization. "We are thrilled that WestJet will be the first Canadian air carrier to operate a dedicated flight route using SAF," said Angela Avery, WestJet Group Executive Vice-President and Chief People, Corporate and Sustainability Officer. "This is an integral step in decarbonizing Canada's aviation sector and WestJet is committed to working alongside our partners to reduce our environmental footprint as we aim to drive greater awareness for the importance of a SAF ecosystem in

*WestJet investing in the future of sustainable aviation fuel in Canada, November 3, 2022, [www.westjet.ca](http://www.westjet.ca)*

## US/WORLD

## ✈️ U.S. Airlines' September 2022 Fuel Cost per Gallon Up 0.6% from August 2022; Aviation Fuel Consumption Down 5.4% from Pre-Pandemic September 2019.



Source: BTS

The Department of Transportation's Bureau of Transportation Statistics (BTS) on November 2, 2022 released U.S. airlines' September 2022 fuel cost and consumption numbers indicating U.S. scheduled service airlines used 1.4 billion gallons of fuel, 6.7% less fuel than in August 2022 (1.50 billion gallons) and 5.4% less than in pre-pandemic September 2019. The cost per gallon of fuel in September 2022 (\$3.49) was up 2 cents (0.6%) from August 2022 (\$3.47) and up \$1.53 (78.1%) from September 2019. Total September 2022 fuel expenditure (\$4.89B) was down 6.3% from August 2022 (\$5.22B) and up 69.2% from pre-pandemic September 2019. Year-over-year increases in fuel consumption and cost for September include 7.0% in domestic fuel consumption, 86.3% in domestic fuel cost, and 74.2% in cost per gallon. Domestic fuel consumption decreased 6.1% from August to September in 2022, while also decreasing 1.7% from September 2019.

*U.S. Airlines' September 2022 Fuel Cost per Gallon Up 0.6% from August 2022; Aviation Fuel Consumption Down 5.4% from Pre-Pandemic September 2019, November 2, 2022, [www.bts.gov](http://www.bts.gov)*

### ✈️ September Passenger Demand Stays Strong

Geneva - The International Air Transport Association (IATA) announced passenger data for September 2022 showing that the recovery in air travel continues to be strong.

- Total traffic in September 2022 (measured in revenue passenger kilometers or RPKs) rose 57.0% compared to September 2021. Globally, traffic is now at 73.8% of September 2019 levels.

- Domestic traffic for September 2022 was up 6.9% compared to the year-ago period. Total September 2022 domestic traffic was at 81% of the September 2019 level.
- International traffic climbed 122.2% versus September 2021. September 2022 international RPKs reached 69.9% of September 2019 levels. All markets reported strong growth, led by Asia-Pacific.

“Even with economic and geopolitical uncertainties, the demand for air transport continues to recover ground. The outlier is still China with its pursuit of a zero COVID strategy keeping borders largely closed and creating a demand roller coaster ride for its domestic market, with September being down 46.4% on the previous year. That is in sharp contrast to the rest of Asia-Pacific, which, despite China’s dismal performance, posted a 464.8% increase for international traffic compared to the year-ago period,” said Willie Walsh, IATA’s Director General.

September 2022 (% year-on-year)	World share <sup>1</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>Total Market</b>	<b>100.0%</b>	<b>57.0%</b>	<b>29.1%</b>	<b>14.5%</b>	<b>81.6%</b>
Africa	1.9%	89.2%	50.2%	15.3%	74.3%
Asia Pacific	27.5%	51.9%	22.2%	14.6%	74.7%
Europe	25.0%	60.4%	34.1%	13.9%	84.7%
Latin America	6.5%	47.8%	39.4%	4.7%	82.3%
Middle East	6.6%	138.6%	57.7%	26.9%	79.5%
North America	32.6%	39.7%	18.1%	13.3%	85.5%

<sup>1</sup>% of industry RPKs in 2021    <sup>2</sup>year-on-year change in load factor    <sup>3</sup>Load Factor Level

View the September Air Cargo Market Analysis here: <https://www.iata.org/en/iata-repository/publications/economic-reports/air-cargo-monthly-analysis---september-2022/>

### ✈️ Air Cargo Demand Softens in September

Geneva - The International Air Transport Association (IATA) released data for September 2022 global air cargo markets showing that cargo demand softened.

- Global demand, measured in cargo tonne-kilometers (CTK) fell 10.6% compared to September 2021 (-10.6% also for international operations), but continued to track at near pre-pandemic level (3.6%).

- Capacity was 2.4% above September 2021 (+5.0% international operations) but still 7.4% below September 2019 level (8.1% for international operations).

- Several factors in the operating environment should be noted:

- o Following contractions across major economies, the global Purchasing Managers Index (PMI) for new export orders also contracted (for a third month in a row) to its lowest level in two years.

- o Latest global goods trade figures showed a 5.2% expansion in August, a positive sign for the global economy. This is expected to primarily benefit maritime cargo, with a slight boost to air cargo as well.

- o Oil prices remained stable in September and the jet fuel crack spread fell from a peak in June.

- o The Consumer Price Index stabilized in G7 countries in September, but at a decades high level of 7.7%. Inflation in producer (input) prices slowed to 13.7% in August.

“While air cargo’s activity continues to track near to 2019 levels, volumes remain below 2021’s exceptional performance as the industry faces some headwinds. At the consumer level, with travel restrictions lifting post-pandemic, people are likely to spend more on vacation travel and less on e-commerce. And at the macro-level, increasing recession warnings are likely to have a negative impact on the global flows of goods and services, balanced slightly by a stabilization of oil prices. Against this backdrop, air cargo is bearing up well. And a strategic slow-down in capacity growth from 6.3% in August to 2.4% in September demonstrates the flexibility the industry has in adjusting to economic developments,” said Willie Walsh, IATA’s Director General.

<b>Total Market</b>	<b>100.0%</b>	<b>-10.6%</b>	<b>2.4%</b>	<b>-7.0%</b>	<b>48.1%</b>
Africa	1.9%	0.1%	-4.1%	1.9%	45.1%
Asia Pacific	32.6%	-10.7%	2.8%	-8.7%	57.2%
Europe	22.8%	-15.6%	0.2%	-9.9%	52.8%
Latin America	2.2%	10.8%	18.4%	-2.6%	38.1%
Middle East	13.4%	-15.8%	-2.8%	-7.4%	47.8%
North America	27.2%	-6.0%	4.6%	-4.4%	39.6%

<sup>1</sup> % of industry CTks in 2021 <sup>2</sup> Change in load factor <sup>3</sup> Load factor level

View the September Air Cargo Market Analysis here:

<https://www.iata.org/en/iata-repository/publications/economic-reports/air-cargo-monthly-analysis---september-2022/>

<b>September 2022 (% year-on-year)</b>	<b>World share<sup>1</sup></b>	<b>CTK</b>	<b>ACTK</b>	<b>CLF (%-pt)<sup>2</sup></b>	<b>CLF (level)<sup>3</sup></b>
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# Rail Transport Updates

## CANADA

### Tracy Robinson: Canada's grain supply chain needs balance and collaboration, not more regulation

Partners in the supply chain need to work together to get things moving and to work around issues. Since the onset of COVID in 2020, the world, and Canadians in particular, have become more aware than ever before of the role supply chains play in our daily lives. From the cost of building materials soaring, to bare shelves in supermarkets, to a shortage of the chips required to build cars and electronics, and everything in between, the resiliency of our supply chains has been tested, reminding us of how critical they are in maintaining our way of life and for many, our very livelihood.

Full article: <https://financialpost.com/transportation/rail/tracy-robinson-canadas-grain-supply-chain-needs-balance-and-collaboration-not-more-regulation>

*Tracy Robinson: Canada's grain supply chain needs balance and collaboration, not more regulation, November 4, 2022, [www.financialpost.com](http://www.financialpost.com)*

### Government of Canada advances the procurement process for High Frequency Rail

On October 31, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced the next steps in the procurement process for High Frequency Rail (HFR) through an update to the Request for Expressions of Interest (RFEOI). This update reflects input and provides answers to key questions received through the RFEOI process. It provides industry and Canadians with new information about the HFR and its procurement. Feedback from the RFEOI includes: 1. Responses from a total of 54 interested parties, confirming a high level of domestic and international interest in the project. 2.

Responses confirming support for the overall approach; seeking clarifications on some elements of the project, including roles and

responsibilities of the Government and private partner; and suggesting ways to enhance the design of the procurement process. 3. Recommendations for strategic changes to the procurement timelines, such as shortening the Request for Proposal period. The next step in the procurement process, the Request for Qualifications (RFQ), is anticipated to begin in early 2023.

*Government of Canada advances the procurement process for High Frequency Rail, October 31, 2022, [www.tc.gc.ca](http://www.tc.gc.ca)*

### Freight Rail Services Price Index, October 2022

Geography	Canada <a href="#">(map)</a>				
	June 2022	July 2022	August 2022	September 2022	October 2022

Index, 2018=100

<b>Freight Rail Services Price Index [482113]</b>					
<b>Automotive</b>	x	x	x	x	x
<b>Coal</b>	x	x	x	x	x
<b>Forest products</b>	120.9	124.7	124.8	125.1	126.8
<b>Grain and fertilizer</b>	119.0	121.4	122.2	122.6	124.2

Geography	Canada <a href="#">(map)</a>				
	June 2022	July 2022	August 2022	September 2022	October 2022
Commodity					
Intermodal	135.5	139.3	136.9	136.2	135.2
Metals and minerals	123.9	126.2	126.2	126.3	127.6
Petroleum and chemicals	119.8	123.0	123.0	123.3	125.7

**Source: Statistics Canada**

Data for October for the Freight Rail Services Price Index (2018=100) for October 2022 is 127.0 an increase of 1.1 from September 2022 and an increase of 17.2 from 109.8 in October 2021.

*Freight Rail Services Price Index, October 2022, October 31, 2022, [www.statcan.gc.ca](http://www.statcan.gc.ca)*

VIA Rail’s existing “local” services operating on [CN](#) and VIA Rail’s own trackage in the corridor.

*Canada to Create Separate Railway for Corridor HFR, November 1, 2022, [www.railwayage.com](http://www.railwayage.com)*

**CN Sets New Grain Movement Record and CP smashes grain record**



Source: CN

CN on November 2, 2022 announced that October was the single best month ever for Western Canadian grain movement on CN’s network. The Company moved over 3.23 million metric tonnes of grain from Western Canada. This exceeds the previous record set in October 2020 by over 50,000 metric tonnes and follows an all-time record set for weekly movement earlier in the month. These records were accomplished despite some challenges in the supply chain that CN and its supply chain partners addressed by working together. “Our railroaders have once again surpassed expectations and delivered for the North American economy and I would like to thank them for their stellar work. Our people are the key to our success and I am proud that we continue to set records.”

**Canada to Create Separate Railway for Corridor HFR**



Source: Railwayage

Transport Canada confirmed on Oct. 31, 2022 that state corporation VIA Rail Canada has been shunted aside from its own project to construct and operate an electrified “High Frequency Rail” (HFR) service along the Corridor linking Quebec City, Montreal, Ottawa and Toronto—the only profitable route VIA currently covers. A new state enterprise will be created to carry the project forward and oversee HFR operations. Technically, it will be a subsidiary of [VIA Rail](#), but the two entities will be operated independently of each other and report directly to [Transport Canada](#). HFR trains will be run by a yet-to-be-chosen “Private Development Partner.” The private operator will also take over



Source: Insidelogistics

Canadian Pacific broke its all-time monthly record for shipping Canadian grain and grain products, moving 3.14 million metric tonnes (MMT) in October 2022. This makes October 2022 CP's biggest month ever for moving these products, breaking the previous monthly record set in October 2020 by more than 100,000 metric tonnes. "This remarkable achievement is a testament to the collaboration between CP and our customers, to our railroaders, and to the hard work of so many throughout the supply chain," said Joan Hardy, CP's Vice-President Sales and Marketing Grain and Fertilizers. Through the first 13 weeks of the 2022-2023 crop year, CP shipped more than 6.9 MMT of grain and grain products. This year CP is completing its \$500 million investment to acquire 5,900 new high-capacity grain hopper cars as part of the company's commitment to the agriculture sector. Including leased hoppers within CP's fleet, CP grain customers can expect to see more than 7,300 new high-capacity hoppers in active service by the end of 2022, enabling the transportation of more grain in each train.

*CN Sets New Grain Movement Record, November 2, 2022, [www.cn.ca](http://www.cn.ca); CP smashes grain record, November 4, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca); and CP, in partnership with grain customers, breaks all-time monthly tonnage record, November 3, 2022, [www.cpr.ca](http://www.cpr.ca)*

## The Government of Canada reaches an agreement-in-principle with the Town of Lac-Mégantic on the rail bypass project



Source: Insidelogistics

On November 2, 2022, the Minister of Transport, the Honourable Omar Alghabra, announced that an agreement-in-principle has been reached between the Government of Canada and the Town of Lac-Mégantic for the acquisition of parcels of land owned by the Town, which are required for the construction of the Lac-Mégantic bypass. The entire route has been identified to permanently get trains out of downtown Lac-Mégantic. The Government of Canada is working with the Government of Quebec, the Town of Lac-Mégantic, and the municipalities of Frontenac and Nantes to complete this project that will benefit the community. The bypass route will be 12.5 km long. The selected route removes the rail right-of-way from downtown Lac-Mégantic and reduces the number of buildings near the railway. This agreement in principle will allow both parties to prepare the deed of sale.

*The Government of Canada reaches an agreement-in-principle with the Town of Lac-Mégantic on the rail bypass project, November 2, 2022, [www.tc.gc.ca](http://www.tc.gc.ca); and Deal reached for Lac-Mégantic bypass lands, November 4, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca)*

## US/WORLD



## Rail Labor Update: A FUBAR Lurks



Source: Railwayage

Although six of 12 rail labor unions have ratified amendments to contracts setting wages, benefits and work rules on most Class I railroads and many smaller ones, two unions—the Brotherhood of Railroad Signalmen (BRS) and Brotherhood of Maintenance of Way Employees Division of the Teamsters Union (BMWED)—have rejected the tentative deal, creating a likelihood of a nationwide rail work stoppage as early as November 19, 2022. Concern is increasing that the two largest rail unions—the Brotherhood of Locomotive Engineers and Trainmen (BLET, also a Teamsters affiliate) and the Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART-TD)—will similarly vote “no.” Their ballots will be counted Nov. 17. BLET, BMWED, BRS and SMART-TD combined represent 75% of unionized rail employees affected by these contract negotiations. What they have in common is away-from home duties and start-time variability affecting family life and sleep cycles. The unions so-far voting “no” agreed to maintain the status quo until all 12 have completed the ratification process—the BMWED until at least Nov. 19; the BRS until early December, although the first union to set up picket lines will initiate a nationwide rail shutdown.

*Rail Labor Update: A FUBAR Lurks, October 31, 2022, [www.railwayage.com](http://www.railwayage.com)*

## October: ‘Top Month’ for U.S. Carloads, Intermodal Volumes ‘Subdued’



Source: Railwayage

“October is usually one of the highest-volume months of the year for rail carloads, and it’s the top month so far this year,” Association of American Railroads (AAR) Senior Vice President John T. Gray reported Nov. 2, 2022. But U.S. intermodal volumes “remained subdued,” he said, “thanks largely to high inventories at many retailers, lower port volumes and still-scarce warehouse capacity for many rail intermodal customers.” U.S. railroads originated 952,074 carloads in October 2022, according to AAR’s Nov. 2 traffic report, which covers October 2022 and the week ending Oct. 29, 2022. This was up 0.5%, or 5,121 carloads, from the prior-year period. U.S. railroads also originated 1,062,422 containers and trailers in October, down 1.4%, or 15,095 units, from the same month last year. Combined, U.S. carload and intermodal originations came in at 2,014,496, down 0.5%, or 9,974 carloads and intermodal units, from last year. Total U.S. carload traffic for the first 10 months of 2022 came in at 9,971,376 carloads, up 0.1%, or 14,912 carloads, from the same point last year; and 11,321,976 intermodal units, down 4.8%, or 567,366 containers and trailers, from 2021. Total combined U.S. traffic for the first 43 weeks of 2022 was 21,293,352 carloads and intermodal units, a 2.5% fall-off from last year. Canadian railroads reported 80,084 carloads for the week ending Oct. 29, 2022, up 0.4%, and 67,951 intermodal units, down 2.3% compared with the 2021 period. For the first 43 weeks of 2022, they reported cumulative rail traffic volume of 6,270,727 carloads, containers and trailers, down 1.8%.

*October: ‘Top Month’ for U.S. Carloads, Intermodal Volumes ‘Subdued’, November 2, 2022, [www.railwayage.com](http://www.railwayage.com)*



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## Marine Transport Updates

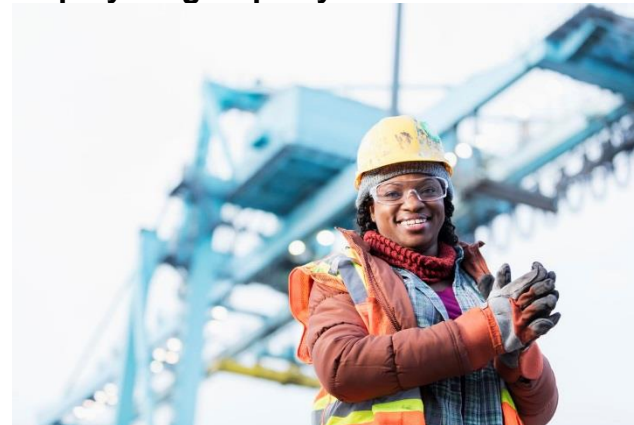
### CANADA

#### Record cruise ship visits to the Port of Vancouver in 2022, as cruise returns to Canada's west coast

The final cruise ship of the season will depart from the Port of Vancouver tomorrow, completing a comeback year for the local cruise industry, following a two-year hiatus due to COVID-19 pandemic restrictions. The Port of Vancouver welcomed a record 306 cruise ship visits in 2022, an increase of 6% compared to 2019. "It's been fantastic to see cruise ships and passengers back in town after the two-year pause through the height of the pandemic," said Robin Silvester, president and CEO of the Vancouver Fraser Port Authority, the federal agency mandated to enable Canada's trade through the Port of Vancouver. "This year's cruise season was an impressive comeback story for a critical catalyst for the local tourism industry and it provided a much-needed boost for many regional tourism and hospitality businesses. I'd like to thank our cruise lines partners, the Canada Place services provider Ceres Terminals Canada, the Cruise Lines International Association and all those working throughout the cruise and tourism industry for their hard work and dedication supporting this year's return, under the federal government's health framework." While passenger numbers were lower in 2022, as expected, as people slowly returned to their pre-pandemic travel habits, occupancy levels gradually increased throughout the season and are projected to average approximately 70% for the year. This will mean approximately 815,000 passenger visits Vancouver in 2022, compared to approximately 1.1 million in 2019.

*Record cruise ship visits to the Port of Vancouver in 2022, as cruise returns to Canada's west coast, November 1, 2022, [www.portofvancouver.com](http://www.portofvancouver.com)*

#### Ports workers contribute \$4.3 billion to GDP, employers group says



Source: Insidelogistics

Canada's private sector maritime employers and operators contribute \$4.3 billion annually to the national GDP and over \$8.5 billion in economic output. That's according to a national economic impact study released this week by the National Maritime Group, a coalition of private sector maritime employers and operators from coast to coast and through the St. Lawrence. The Economic Impact Study confirmed that more than 213,000 jobs at Canada's ports depend on coalition member operations. The 14,810 workers directly employed by the group earn close to \$1.6 billion in direct wages and other income. The group also contributes over \$1 billion in tax revenues annually to all levels of government including Canadian port authority fees and land lease payments.

*Ports workers contribute \$4.3 billion to GDP, employers group says, November 2, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca)*

## Halifax Port Authority Pier A-1 infilling project to start November 7

The Halifax Port Authority (HPA) will start infilling the basin between Piers A-1 and B at Ocean Terminals in the Port of Halifax on Monday, November 7. The Fairview Cove Sequestration Facility will no longer be accepting slate beyond Friday, November 4, 2022. Planning for this project has been underway since it was first announced in January. Non-containerized cargo operations have been moved to other parts of Ocean Terminals and Richmond Terminals. The Pier A-1 Infilling Project was identified as part of HPA's long-term planning and outlined in the 50-Year Plan released earlier this year. This project will ensure efficient and safe terminal operations well into the future and will contribute to more environmentally sustainable operations overall. The infilling is expected to take approximately three to five years to complete, although the timeframe could be extended and will depend largely on local development and the volume of pyritic slate being generated by construction projects. During that time, an estimated 500,000 cubic metres of infill material will be used, plus finishing material, to create an additional 3.2 hectares (approximately 8 acres) of yard space.

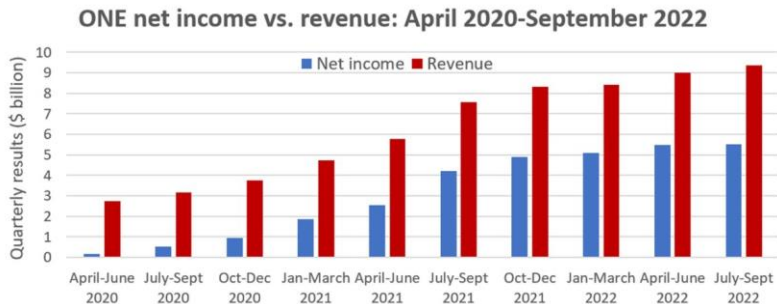
*Halifax Port Authority Pier A-1 infilling project to start November 7, November 3, 2022, [www.ajot.com](http://www.ajot.com)*

## US/WORLD

## Shipping line ONE posts blockbuster quarter but warns on future

results and projections announced on October 31, 2022 by Ocean Network Express (ONE) highlight how much shipping lines will continue to rake in as the COVID-driven consumer boom winds down. ONE, the world's seventh-largest carrier by fleet size, reported net income for July-September (its second fiscal quarter) of \$5.52 billion. That's up 32% year on year (y/y) and just above the \$5.5 billion earned in the preceding three months. The latest period also boasted the company's highest-ever revenues: \$9.37 billion, up 24% y/y and 4% versus April-June 2022. Revenues have continued to rise despite a reduction in fleet size and cargo volume. ONE's fleet capacity was 1,526,999 twenty-foot equivalent units as of the end of September, down 4% y/y and 5% from the peak at the end of March 2021. ONE handled 2,898,000 TEUs of cargo in July-September, down 9% y/y and 1.4% from April-June.

*Shipping line ONE posts blockbuster quarter but warns on future, October 31, 2022, [www.freightwaves.com](http://www.freightwaves.com)*



Source: Freightwaves

Another quarter, another astonishingly high record profit for a shipping line. Amid all the bleak talk of sinking demand and a "hard landing,"



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Transportation's Top Stories

# Road Transport Updates

## CANADA

### TFI International acquires Groupe Boutin



Source: Today's trucking

Groupe Boutin, one of the oldest and largest trucking companies in Quebec, has sold its trucking operations to TFI International. The fleet has 170 tractors, 394 trailers, and 333 employees. "After careful consideration and by mutual agreement, we have come to the conclusion that the time has come to divest ourselves of this sector of activity, which dates back to 1945. From now on, we want to focus on the development of our warehousing division," the company said in a press release. "From the beginning of the process, our employees and customers have been at the heart of our concerns. TFI International, with its desire to maintain current jobs and continue to serve our customers, proved to be our best choice." Bernard Boutin, who has led the company for more than half of its existence, announced he will retire.

*TFI International acquires Groupe Boutin, October 31, 2022, [www.todaystrucking.com](http://www.todaystrucking.com)*

### Couriers and Messengers Services Price Index, September 2022

Geography	North American Industry Classification System (NAICS)	Canada ( <a href="#">map</a> )				
		May 2022	June 2022	July 2022	August 2022	September 2022
		<b>Index, 2019=100</b>				
<b>Couriers and messengers</b>		127.3	130.8	131.1	129.8	130.6
<b>Couriers</b>		129.6	133.7	134.1	132.5	133.6
<b>Local messengers and local delivery</b>		115.3	116.1	116.0	116.1	115.7

Source: Statistics Canada

The Couriers and Messengers Services Price Index (2019=100) for September 2022 is 130.6 an increase of 0.8 from August 129.8. For the period July 2022 to September 2022 the index decreased 0.5. The index in September 2021 was 109.5 and for the period July 2021 to September 2022 the index increased 2.1.

*Couriers and Messengers Services Price Index, September 2022, October 31, 2022, [www.statcan.gc.ca](http://www.statcan.gc.ca)*

## CTA, Industry Groups Support Call by Congress Reps to End U.S. Border Vaccination Restrictions



Source: Ontruck

The Canadian Trucking Alliance (CTA), the American Trucking Associations (ATA), numerous Canadian and U.S. industry groups, and 55 members of Congress, led by U.S. Representative Rick Crawford, have called on President Biden to end the U.S. border vaccination requirements impacting cross-border truck drivers. The full text of the letter led by Rep. Crawford can be found [here](#), and the accompanying press release [here](#). The letter highlights that many essential commodities important to the U.S. economy are imported into the U.S. from Canada, and that the vaccination mandate continues to strain the supply chain and hinder the trucking industry's ability to move these essential goods quickly: *"The trucking industry is already suffering immense labor shortages, especially for drivers, which is raising costs on consumers and limiting the supply of nutrients, food, energy, chemicals, and other major products. Combined with a looming threat of a rail worker strike, we must look to alleviate any outstanding restrictions for our commercial truck drivers to further incentivize not only their return to work, but for onboarding new drivers as well," the members wrote.*

*CTA, Industry Groups Support Call by Congress Reps to End U.S. Border Vaccination Restrictions, November 1, 2022, [www.ontruck.ca](http://www.ontruck.ca)*

## Titanium adds freight brokerage office



Source: Todaystrucking

Titanium Transportation Group has opened a second office in the Windsor-Detroit gateway for its North American freight brokerage operations. "Building on our existing footprint in Windsor, Ont., the opening of our second office at the largest gateway for Canada-US trade reflects our continuous 'asset-light' growth strategy for North America," president and CEO Ted Daniel said in a press release. "The expansion of our freight brokerage business compliments our existing fleet and allows us to better address supply chain challenges faced by manufacturing customers at the U.S.-Canadian border." "Looking ahead, we will continue to strategically expand our --freight brokerage operations leveraging our investments in technology and systems to quickly scale up in multiple key markets."

*Titanium adds freight brokerage office, November 1, 2022, [www.todaystrucking.com](http://www.todaystrucking.com)*

## Feds' Fall Economic Statement takes aim at Driver Inc. employers



Source: Todaystrucking

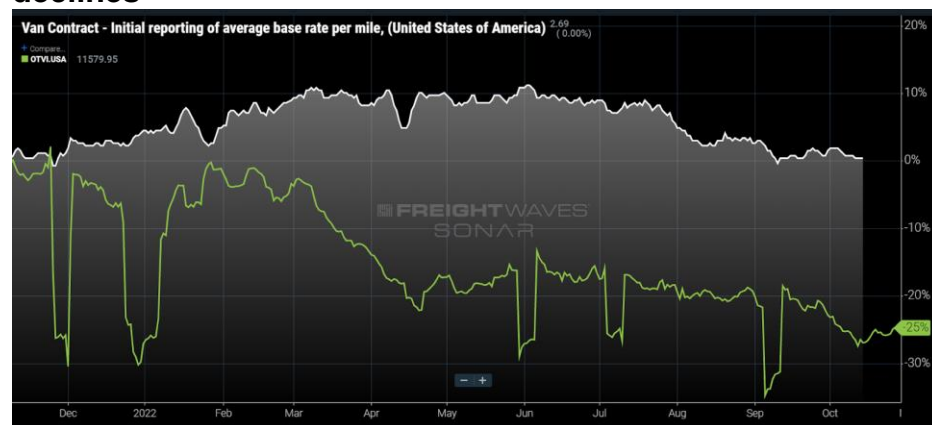
The federal government has vowed in its Fall Economic Statement to take aim at Driver Inc. employers. "In the trucking industry, there is a

long history of companies using the misleading Drivers Inc. practice, whereby drivers are encouraged to self-incorporate and operate as independent contractors without being provided information on the downsides of the practice,” the feds wrote in the statement, delivered by Finance Minister Chrystia Freeland. “By not classifying drivers as employees, companies are denying them access to important rights and entitlements under the *Canada Labour Code*, such as paid sick leave, health and safety standards, employer contributions for Employment Insurance and the Canada Pension Plan, and provincial or territorial workplace injury compensation.” It indicated a recent pilot enforcement project found that more than 60% of federally regulated transportation employers fell into this category. The economic statement proposed to provide \$26.3 million over five years, beginning in 2023, to take stronger action against non-compliant employers through Employment and Social Development Canada.

*Feds’ Fall Economic Statement takes aim at Driver Inc. employers, November 3, 2022, [www.todaystrucking.com](http://www.todaystrucking.com)*

## US/WORLD

### Carriers will become own worst enemy as demand declines



Source: Freightwaves

Dry van truckload contract rates have fallen about 9% since the start of the summer but have slowed their rate of descent this fall, according to FreightWaves’ Van Contract Initial Report Index (VCRPM1), which is based on the linehaul-only portion of freight invoices. Is this a sign that shippers will not be aggressively peeling back the past two years of rate increases? Dry van contract rates are still more than 35% higher

than they were in June of 2020 but are essentially flat from a year-over-year (y/y) perspective. The truckload spot market responded quickly in March, with the National Truckload Index (NTI) falling 14% over a 61-day period. With spot rates being negotiated daily, they are faster to respond to changes in the supply and demand conditions of the market. Shippers can get about a 24% discount on the spot market when sourcing capacity on average. This is not a sustainable relationship over time as contracts will move toward the spot market. For context, the spot market was offering a 12% discount in late October 2019 — widely considered a soft (deflationary rate) environment. But in the near term there may be some hope for carriers as the contract market stalls. Why would this slowing occur? The problem that arises from the carriers’ side now is they are competing for a smaller amount of freight in what may become a desperate environment. This will be what ultimately drives contracts lower ... and they will go lower.

*Carriers will become own worst enemy as demand declines, October 30, 2022, [www.freightwaves.com](http://www.freightwaves.com)*

### International and domestic container moves are up in Q3

Domestic containers gained 1.5 percent, and international containers were up 0.1 percent year-over-year in the third quarter of 2022, according to the Intermodal Association of North America’s Intermodal Quarterly report. However, total intermodal volumes fell 1.0 percent based on a 27.7 percent decline in intermodal trailer traffic. “The positive numbers for domestic and international containers are an indication of increasing network fluidity and reduction in congestion,” said Joni Casey, president and CEO of IANA. “Additional gains are anticipated in the fourth quarter which could negate some of the losses experienced during the first half of the year.” The seven highest-density trade corridors, which collectively handled more than 60 percent of total volume, showed mixed results in the third quarter. The Trans-Canada corridor was up 6.1 percent, along with the Midwest-Southwest at 1.7 percent. The Midwest-Northwest recorded a 14.7 percent decline, followed by the South Central-Southwest and the Southeast-Southwest at 13.9 percent. The Intra-Southeast declined 8.5 percent, while the Northeast-Midwest held losses to 0.5 percent.

*International and domestic container moves are up in Q3, October 30, 2022, [www.ajot.com](http://www.ajot.com)*

## Transportation capacity hit high-water mark in October, survey says

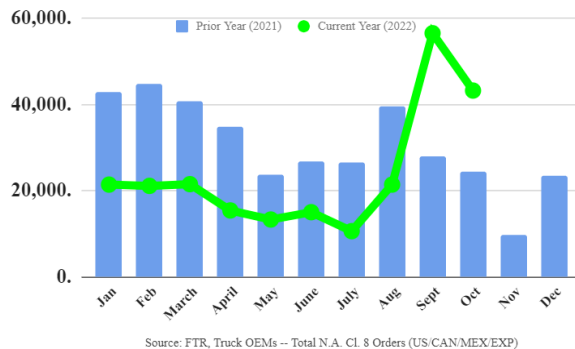
The Logistics Managers' Index (LMI) registered a capacity reading of 73.1 during October, 1.3 percentage points higher than September and the highest growth rate recorded by the 6-year-old data set. A reading above 50 indicates expansion while one below 50 indicates contraction. "Similar to what we noted last month, inventory seems to be sitting idly (primarily downstream) clogging warehouses where retailers hope for a busy Q4," the report read. "The flipside of that is that the normal peak season for carriers has not materialized, as there has been less to move than we would usually see during this time of year." The September LMI report called out unseasonal demand weakness in the back half of the month. Peak season sentiment from truckload carriers turned from constructive at an investor conference in early September to tepid by mid-October when the group began reporting third-quarter results. "Even during the freight recession of 2019, we did not observe capacity coming online this quickly," the report continued. The 12-month forward-looking expectation around capacity increased 1.8 points to 67.1 during the month. "Without a significant increase in consumer activity over the holiday season, it is unclear when this will change."

*Transportation capacity hit high-water mark in October, survey says, November 1, 2022, [www.freightwaves.com](http://www.freightwaves.com)*

from fleets struggling to replace aging equipment. "OEMs are now filling build slots well into Q2 and the early part of Q3 2023. Component shortages continue to be a week-to-week issue; however, the overall sentiment from manufacturers is optimistic that improvements will be made in the coming months and throughout the first half of next year," said Charles Roth, FTR's commercial vehicle analyst. ACT Research reported preliminary Class 8 orders of 42,500 units, and Classes 5-7 orders totaling 23,400 vehicles.

*Pent-up demand for new trucks remains strong, November 3, 2022, [www.todaystrucking.com](http://www.todaystrucking.com)*

## Pent-up demand for new trucks remains strong



Source: Todaystrucking

Class 8 truck orders remained elevated in October, at 43,200 units according to preliminary data from FTR. That was down 23% from September but up 77% year over year. Industry forecaster FTR says the strong orders solidify the idea there's significant pent-up demand



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## Other Transport Updates

### CANADA

#### Canada and EU agree to trusted trader reciprocity



Source: Insidelogistics

The Canada Border Services Agency (CBSA) and the European Union's (EU) Taxation and Customs Union (TAXUD) have signed an agreement to honour each other's Trusted Trader programs. The signing took place during a Canada-EU Joint Customs Cooperation Committee meeting in Brussels, Belgium. This agreement will contribute to increasing security of the international supply chain, facilitating trade at the border, and strengthening the economic competitiveness of Canadians doing business with the EU.

*Canada and EU agree to trusted trader reciprocity, October 31, 2022, [www.insidelogistics.ca](http://www.insidelogistics.ca)*

### US/WORLD

#### Biden-Harris Administration Announces More Than \$703 Million to Improve Port Infrastructure, Strengthen National Supply Chains, Lower Costs



Source: Freightwaves

On October 28, 2022, the U.S. Department of Transportation announced more than \$703 million to fund 41 projects in 22 states and one territory that will improve port facilities through the Maritime Administration's Port Infrastructure Development Program. The funding made possible by the Bipartisan Infrastructure Law and additional Congressional appropriations, will benefit coastal seaports, Great Lakes ports, and inland river ports, helping improve supply chain reliability through increased port capacity and resilience, more efficient operations, reduced port emissions, and new workforce opportunities. Together, these investments will help get goods to shelves faster and lower costs for American families.

*Biden-Harris Administration Announces More Than \$703 Million to Improve Port Infrastructure, Strengthen National Supply Chains, Lower Costs October 28, 2022, [www.dot.gov](http://www.dot.gov); and Borderlands: \$83M bridge expansion targets expanding Mexico trade, October 30, 2022, [www.freightwaves.com](http://www.freightwaves.com)*





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**2022 CILTNA Hybrid Fall Outlook Conference & Reception was held on Wednesday, November 2, 2022 at 12:30 ET at the Rideau Club on 99 Bank Street, Ottawa, ON. The conference focused on “The Changing Face of Our Workforce and the Future of Digitalization”.**

**[\[CLICK HERE\]](#) to view the Conference recording.**

**[\[CLICK HERE\]](#) to view the speaker presentations.**

## Transportation's Top Stories Other CILT News

WHEN:

**Monday, November 28, 2022**

4:30 pm PT – Registration

5:00 pm to 7:00 pm PT – Reception/Presentation

WHERE:

**Terminal City Club**

837 West Hastings Street

Vancouver, BC V6C 1B6

COST:

CILTNA Members: \$20.00

Non-Members: \$25.00

Students: Free

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SHL will announce a permanent endowed Award at UBC in mobility studies...exciting details to follow at our event.

To register, [\[CLICK HERE\]](#)

### **Job Postings**

**\* Principal Planner: Freight Planning, North Jersey Transportation Planning Authority**

Under the direction of the Director of Freight Planning, the Principal Planner: Freight Planning will be responsible for performing a full range of technical planning, research, analysis, written reports, and outreach activities in the specialized field of freight and goods movement planning. The job requires knowledge of goods movement, the application of tools of analysis, the ability to research freight and related topics and produce reports, as well as the ability of effectively engage and interact with stakeholders in the public and private sector.



**The Pacific Chapter of CILTNA is pleased to invite you to:**



**Transport, Mobility, Logistics,  
Supply Chain: Developing Talent  
for Tomorrow's World**

**MONDAY, NOVEMBER 28, 2022**

4:30 PM PT - Registration  
5:00 PM - 7:00 PM PT - Reception/Presentation

Terminal City Club  
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[Click Here to Register](#)

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The Pacific Chapter (CILTNA) is pleased to invite you to an in-person reception/presentation featuring **Mr. Chad Rolstad, CP's VP Human Resources and Chief Culture Officer.**

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To apply, please click here:

<https://njit.csod.com/ux/ats/careersite/1/home/requisition/4582?c=njit>

**\* Smart Growth America (SGA) is seeking consultant support to conduct research for and/or write several public-facing reports and resources. These resources will support the technical assistance, advocacy, and thought leadership of Transportation for America and the National Complete Streets Coalition.** See link for more information: <https://lnkd.in/gM5KsgTQ>.

### **\* Postdoctoral Scholar in Sustainable Freight Transportation Technologies**

The College of Engineering – Center for Environmental Research and Technology (CE-CERT) at the University of California, Riverside, is seeking a highly motivated postdoctoral scholar to join our Transportation Systems Research (TSR) group in conducting research related to sustainable freight transportation technologies. Candidates with knowledge and research experience in freight travel demand modeling, vehicle scheduling and routing, vehicle energy and emissions

modeling, geospatial data analysis, advanced optimization, machine learning, and high-performance computing, are encouraged to apply. The TSR group consists of a multidisciplinary team of more than 20 faculty members, graduate and undergraduate students, and staff engineers. We conduct research in the areas of advanced vehicles and intelligent transportation systems with a focus on developing and evaluating technologies that improve the travel and energy efficiencies as well as reduce the environmental impact of transportation activities. Several recent and current research projects involve the development of novel sustainable freight transportation technologies, all the way from conceptualization to design, simulation, prototyping, and real-world demonstration.

Specific activities of the successful candidate may include:

- Develop new vehicle scheduling and routing techniques and evaluate their effectiveness
- Model energy, emissions, and air quality impacts of freight movement
- Conduct field testing of new vehicle scheduling and routing techniques
- Perform mining, analysis, visualization, and interpretation of vehicle activity big data

- Assist in producing high-quality publications, reports, and research proposals
- Support additional related research projects as needed

Please click here to view the view description and qualifications:

[https://www.cert.ucr.edu/sites/g/files/rcwecm1251/files/2021-10/2021\\_TSR%20postdoc%20position\\_2021.10.27.pdf](https://www.cert.ucr.edu/sites/g/files/rcwecm1251/files/2021-10/2021_TSR%20postdoc%20position_2021.10.27.pdf)

Those interested should send their curriculum vitae and a cover letter to [certjobs@cert.ucr.edu](mailto:certjobs@cert.ucr.edu) with the subject "TSR Postdoc Position". In the cover letter, please provide a statement of research interests and experience.



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