



**The Chartered
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Transportation's Top Stories

Air Transport Updates

CANADA

✈️ **Air Transat reaches new agreement with flight attendants' union**

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

Air Transat reaches new agreement with flight attendants' union, January 9, 2024, www.globeandmail.ca

✈️ **Air Canada Reports Strong Operational Performance for the Holiday Travel Period**

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

helped by moderate winter weather. With a clear focus on our customers and on improving the stability and resilience of our operation, we have implemented a range of initiatives to ensure we continue to improve our operational performance into 2024 and beyond."

Air Canada Reports Strong Operational Performance for the Holiday Travel Period, January 8, 2024, www.aircanada.ca

✈️ **Screened passenger traffic at Canadian airports, November 2023**



Source: Statcan

In November 2023, 4.1 million passengers passed through pre-board security screening at checkpoints operated at Canada's eight largest airports, an increase of 10.9% from November 2022. With November 2023 traffic slightly above (+0.7%) the same month in 2019, this marked the fifth consecutive month in which total passengers exceeded pre-COVID-19 pandemic volumes. In November 2023, the recovery of screened passenger volumes at Canada's eight largest airports has been uneven across travel sectors. Domestic screened traffic grew 2.7% year over year to 1.8 million passengers. However, while domestic travel was the first to recover from pandemic lows, passenger volumes in November 2023 were 2.7% below those in November 2019, ending a stretch of six months when volumes

surpassed pre-pandemic levels. In November 2023, other international traffic (outside the United States) was up sharply year over year (+20.7%). The 1.2 million passengers screened for international flights were 10.1% higher than during the same period in 2019. Meanwhile, transborder traffic with the United States showed a 15.5% increase from November 2022; however, this sector has yet to reach 2019 levels of passenger traffic.

Screened passenger traffic at Canadian airports, November 2023, January 10, 2024, www.statcan.gc.ca

✈️ Airline ticket price wars coming to Canada as competition heats up



Source: Financial Post

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

Airline ticket price wars coming to Canada as competition heats up, Financial Post January 9, 2024, www.nationalpost.ca

US/WORLD

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

U.S. Unemployment Rate (Not Seasonally Adjusted)	Transportation Sector Unemployment Rate (Not Seasonally Adjusted)
December 2023 3.5%	December 2023 4.3%
▲ 0.2 change from same month last year	▼ -0.2 change from same month last year

Source: BTS

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

December 2023 U.S. Transportation Sector Unemployment (4.3%) Falls Below the December 2022 Level (4.5%) But Remains Above the Pre-Pandemic December 2019 Level (2.8%), January 5, 2024, www.bts.gov

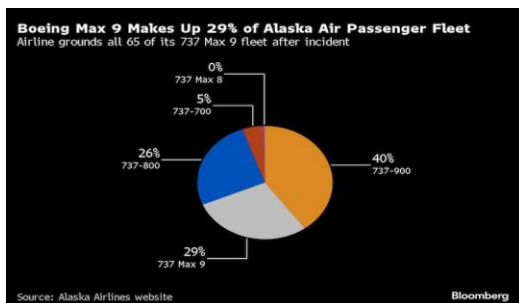
✈️ Air Travel Consumer Report: October 2023 Numbers

On January 5, 2024, the U.S. Department of Transportation (DOT) released its Air Travel Consumer Report (ATCR) on airline operational data compiled for the month of October 2023 for on-time performance, mishandled baggage, and mishandled wheelchairs and scooters. For the first 10 months of 2023, 1.5% of flights were canceled, far below the 2.6% cancellation rate for the first 10 months of 2022 and the 2.1% cancellation rate for first 10 months of pre-pandemic 2019. The 633,349 flights operated in October 2023 were 107.27% of the 590,444 flights operated in October 2022. Operated flights in October 2023 were up 7.27% year-over-year from the 590,444 flights operated in October 2022 and up 6.05% month-over-month from 597,223 flights operated in September 2023. In October 2023, reporting marketing carriers posted an on-time arrival rate of 84.1%, up from both 80.3% in

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

Air Travel Consumer Report: October 2023 Numbers, January 5, 2023, www.dot.gov

✈️ Boeing Max grounding goes global as carriers follow FAA order



Source: AJOT

The grounding of Boeing Co.'s 737 Max 9 quickly gathered pace, with carriers from the US to Panama to Turkey pulling the model from service for inspections after a fuselage section on a brand-new Alaska Airlines jet blew out during flight. After Alaska Air kept its fleet of 65 737 Max 9s on the ground following the incident on Jan. 5, 2024 United Airlines Holdings Inc., the model's top operator, followed suit with some jets. Then the Federal Aviation Administration ordered a temporary grounding of 171 planes, accelerating the response among other airlines. Aeromexico took all of its Max 9s out of service, and Panama's Copa Airlines did the same with most of its jets. The cascading grounding marks the most severe response since Boeing's entire fleet of Max aircraft was parked in 2019 following two deadly crashes. The 737 Max is by far the company's most popular aircraft and its biggest source of revenue. The blowout puts the focus back on Boeing's manufacturing controls just as it was gearing up to raise output of its cash-cow model and turn the corner on past defects. "We are very fortunate this didn't end up in something more tragic," Jennifer Homendy, the head of the National Transportation Safety Board, said

at a press conference in Portland, Oregon, on Saturday. "We've now determined based on our definition of substantial damage that this is an accident, not an incident." Only two US airlines operate the 737 Max 9 variant: United with 79, and Alaska Air with its 65. Alaska said late Saturday (January 6, 2024) it was again removing 18 737 Max 9s that it had already returned to service based on recent maintenance, and said it would wait for details of additional work required by the FAA. The company wasn't sure what else would be needed before adding the planes back to its fleet, and said it expects travel disruptions to last through mid-week.

Boeing Max grounding goes global as carriers follow FAA order, January 7, 2024, www.ajot.com

✈️ Air Cargo Demand Up 8.3% in November



Source: IATA

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

Air Cargo Demand Up 8.3% in November, January 9, 2024, www.iata.org

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



Source: IATA

The International Air Transport Association (IATA) released data for November 2023 air travel performance indicating that air travel demand topped 99% of 2019 levels. *Total traffic* in November 2023 (measured in revenue passenger kilometers or RPKs) rose 29.7% compared to November 2022. Globally, traffic is now at 99.1% of November 2019 levels. *International traffic* rose 26.4% versus November 2022. The Asia-Pacific region continued to report the strongest year-over-year results (+63.8%) with all regions showing improvement compared to the prior year. November 2023 international RPKs reached 94.5% of November 2019 levels. *Domestic traffic* for November 2023 was up 34.8% compared to November 2022. Total November 2023 domestic traffic was 6.7% above the November 2019 level. Growth was particularly strong in China (+272%) as it recovered from the COVID travel restrictions that were still in place a year ago. US domestic travel, benefitting from strong Thanksgiving holidays demand, reached a new high, expanding +9.1% over November 2019. “We are moving ever closer to surpassing the 2019 peak year for air travel. Economic headwinds are not deterring people from taking to the skies. International travel remains 5.5% below pre-pandemic levels but that gap is rapidly closing. And domestic markets have been above their pre-pandemic levels continuously since April,” said Willie Walsh, IATA’s Director General.

Air Travel Reaches 99% of 2019 Levels as Recovery Continues in November, January 10, 2024, www.iata.org

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

The American Airlines jet roared out of the Belize airport and climbed through the tropical skies on its way to Dallas. The Boeing 737 levelled out at 32,000 feet – below the typical altitude – before ascending to a higher-than-usual 38,000 feet. It was an unusual route, but this was not a typical flight. The deviations allowed the aircraft to avoid leaving

cloud-like vapour streams known as contrails, a small step in reducing the major impact aviation has on climate change. Contrails are white trails formed by the condensation of water vapor emitted by an aircraft engine at very high altitude.

Airlines are taking steps to reduce contrails to help cut emissions from aviation, January 10, 2024, www.globeandmail.ca

Achieving 5% carbon reduction by 2030

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

Achieving 5% carbon reduction by 2030, January 10, 2024, www.iata.org



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Rail Transport Updates

CANADA

CN Announces Remi G. Lalonde as Executive Vice-President

New Executive Vice-President and Special Advisor to the CEO will Become Chief Commercial Officer in 2024

MONTREAL, Jan. 08, 2024 (GLOBE NEWSWIRE) -- CN (TSX: CNR) (NYSE: CNI) today announced the appointment of Remi G. Lalonde as Executive Vice-President and Special Advisor to the CEO in anticipation of his transition to the role of Chief Commercial Officer (CCO) of CN later in the year.

The Chief Commercial Officer (CCO) role is a critical executive role, overseeing CN's strong, experienced, customer focused Sales and Marketing team. As a former CEO, CFO and SVP at a prominent forest products company, Remi has led teams, executed strategy, managed regulatory matters, engaged with Indigenous communities and stakeholders, headed manufacturing operations, and worked with investors and suppliers. His successful track record of cross-functional experience and first-hand knowledge of the importance of supply chains as well as his focus on business growth and sustainability will help drive CN's 2024-2026 growth agenda.

"I am very pleased that Remi is joining the CN team, preparing to lead our commercial team. The role of CCO is of the utmost importance. The diversity of his experience, including as a railway customer and as a CEO, positions him well to lead the Sales and Marketing team. He will play an instrumental role in accelerating sustainable, profitable growth."

Tracy Robinson, President and Chief Executive Officer at CN Remi, who starts today, will spend time embedded within CN's operations to learn about scheduled railroading, servicing customers,

and executing CN's 'Make the Plan, Run the Plan, Sell the Plan' model. Once this intensive familiarization is completed, Remi will transition into the role of Executive Vice-President and Chief Commercial Officer. Doug MacDonald, CN's current Executive Vice-President and Chief Marketing Officer, will remain in that role until the transition is completed later this year.

<https://www.cn.ca/en/news/2024/01/cn-announces-remi-g-lalonde-as-executive-vicepresident>



2024 Railroader of the Year: Tracy Robinson, CN



Source: Railway Age

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

leadership positions at Canadian Pacific and in Canada's energy sector, she is dedicated to developing a new generation of railroaders from diverse backgrounds.

2024 Railroader of the Year: Tracy Robinson, CN, January 8, 2024, www.railwayage.com

Transport Canada beefing up DG regulations



Source: Inside Logistics

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

Transport Canada beefing up DG regulations, January 9, 2024, www.insidelogistics.ca

US/WORLD

NTSB Releases WMATA 2021 Derailment Report



Source: Railway Age

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

NTSB Releases WMATA 2021 Derailment Report, January 5, 2024, www.railwayage.com

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



Source: Railway Age

For the week ending Jan. 6, 2024 (Week 1), total U.S. rail traffic was 417,257 carloads and intermodal units, rising 2.3% from the prior-year period, the Association of American Railroads (AAR) reported Jan. 10,

2024. Total rail traffic for the week ending Jan. 6, 2024, comprised 208,176 carloads, up 0.9% from 2023, and 209,081 containers and trailers, up 3.7% from the same week last year, according to AAR. Seven of the 10 carload groups posted an increase. Canadian railroads reported 85,204 carloads for the week, up 2.2%, and 59,601 intermodal units, down 1.5% compared with the same week in 2023. For the first week of 2024, Canadian railroads reported cumulative rail traffic volume of 144,805 carloads, containers and trailers, up 0.7%.

U.S. Rail Traffic Boost Continues in First Week of 2024, January 10, 2024, www.railwayage.com



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Marine Transport Updates

CANADA

Minister of Transport announces modernized vessel construction and equipment regulations

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

Minister of Transport announces modernized vessel construction and equipment regulations, January 3, 2024, www.tc.gc.ca

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



Source: National Post

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

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

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

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

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

Federal funding for six projects meant to clear bottlenecks



Source: Inside Logistics

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

Program will get \$74,500 to assess the condition of old dockwalls at the Port of Toronto.

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

US/WORLD

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

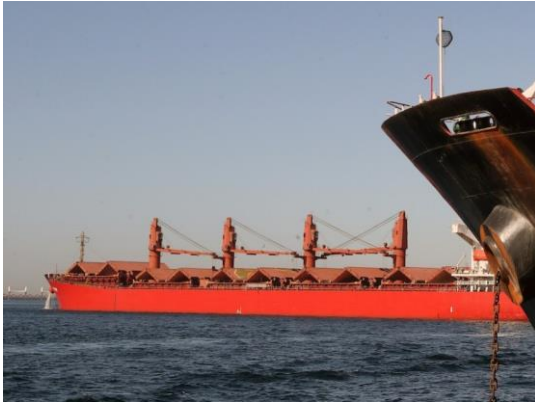


Source: JOC

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

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

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



Source: AJOT

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

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

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



Source: JOC

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

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

LA’s Seroka says ports of LA & Long Beach increased market share in 2023



Source: AJOT

In his ‘State of the Port of Los Angeles’ address on January 10th, Port of Los Angeles Executive Director Eugene Seroka reported that the Ports of Los Angeles and Long Beach increased their national market share by 3 percent in 2023. Seroka spoke at the annual event organized by the Pacific Merchant Shipping Association (PMSA) where he said: “We were pleased to see a 3% bump in our West Coast market share compared to East and Gulf Coast ports. Working together with our partners at the Port of Long Beach, we have made San Pedro Bay the country’s biggest gateway – nearly double the size of the next largest port complex.” Eugene Seroka, Executive Director

at Port of Los Angeles Seroka went on to describe that since the second half of 2023, the Port of Los Angeles returned to positive container flow, with 5 straight months of year-on-year growth saying, “While ... our 2023 total volume was more than 8.6 million twenty-foot units, down about 13% compared to 2022. That’s a dramatic recovery from the decrease of more than 30% we saw after the first quarter of the year.” Seroka said that on the import side, “We handled roughly 4.5 million TEUs, down about 10% from 2022. And our exports had the highest volume since 2020, up more than 7% year over year.”

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



Drewry World Container Index - 11 Jan

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

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



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Road Transport Updates

CANADA

Walmart puts electric trucks on the road in BC



Source: Freightwaves

Walmart Canada has put three class 8 Freightliner eCascadia battery electric trucks on the road in British Columbia. Based out of a Surrey distribution centre that is specially designed to support alternative-fuel vehicles, the trucks will be delivering grocery products to regional stores. Walmart said in a release that the trucks will allow it to save over 100,000 litres of fuel a year. Each one will travel about 11,000 kilometres annually.

Walmart puts electric trucks on the road in BC, January 8, 2024, www.freightwaves.ca

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



Source: Today's Trucking

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

Manitoba commits \$12M to improve intersection that was site of deadly bus crash, January 8, 2024, www.todaystrucking.ca

Cummins invests in Rocky Mount Engine Plant



Source: Today's Trucking

Cummins has announced it will spend US\$580 million to ready its Rocky Mount Engine Plant (RMEP) for production of its fuel-agnostic engine platform. “We are excited to be driving continued growth within Nash County and creating jobs that rely on high caliber technology for the future,” Steve Pinkston, Cummins Rocky Mount Engine Plant manager said in a release. “Cummins is focused on Destination Zero and getting there as quickly as possible. We need engagement from federal, state, and local governments like Nash County to achieve our goals and we are grateful for their support. When we receive

engagement from local partners like this, it helps us move faster toward a more sustainable future.” The plant has produced more than 5 million engines over 40 years. “This investment is not just about engines; it’s a testament to our unwavering commitment to the community and our vision for a sustainable and impactful future,” added Pinkston. “It means RMEP and Cummins are here to stay and we take pride in being the one of the largest employers in the tri-county area.”

Cummins invests in Rocky Mount Engine Plant, January 8, 2024, www.todaystrucking.ca

Metro Supply Chain buys SCI Group from Canada Post, Purolator



Source: Today's Trucking

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

Metro Supply Chain buys SCI Group from Canada Post, Purolator, January 9, 2024, www.todaystrucking.ca

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



Source: Ontruck

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

Truck Drivers Nearly Unanimous that Highway Safety Problems Persist in N. Ontario, January 11, 2024, www.ontruck.ca

US/WORLD

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

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

Biden-Harris Administration Announces \$623 Million in Grants to Continue Building Out Electric Vehicle Charging Network, January 11, 2024, www.dot.gov

‘Stagnant’ trucking market expected in 2024: FTR



Source: Today's Trucking

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

'Stagnant' trucking market expected in 2024: FTR, January 11, 2024, www.todaystrucking.ca



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Other Transport Updates

CANADA

National tourism indicators, third quarter 2023



Source: Statcan

Tourism spending in Canada grew 0.5% in the 2023 third quarter, following a 1.1% increase in the second quarter. Growth in the third quarter was driven by a 2.3% increase in foreign tourism demand, while domestic tourism demand declined 0.2%. Passenger air transport (+0.8%) contributed most to the growth in tourism spending, followed by spending on non-tourism products (+0.8%), such as groceries and clothing, and pre-trip expenditures (+2.1%), such as recreational vehicles, pleasure crafts and camping equipment. Growth was partially offset by declines in food and beverage services (-0.6%), recreation and entertainment (-0.4%), vehicle fuel (-0.3%) and passenger rail transport (-3.7%). Tourism gross domestic product (GDP) edged down 0.1% in the 2023 third quarter, following a 0.5% increase in the second quarter. Tourism jobs (+0.1%) edged up in the 2023 third quarter, following a 1.1% increase in the previous quarter.

National tourism indicators, third quarter 2023, January 5, 2024, www.statcan.gc.ca

Canada's Trans Mountain Pipeline expansion reportedly 95% complete



Source: AJOT

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

Canada's Trans Mountain Pipeline expansion reportedly 95% complete, January 8, 2024, www.ajot.com

Canadian international trade in services, November 2023



Source: Statcan

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

Canadian international trade in services, November 2023, January 9, 2023, www.statcan.gc.ca

Leading indicator of international arrivals to Canada, December 2023



Source: Statcan

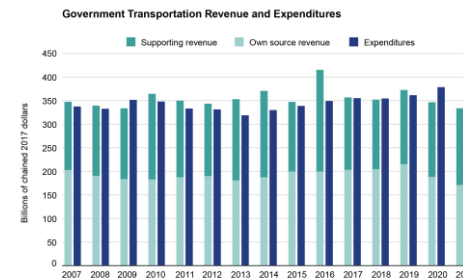
In December 2023, the number of international arrivals to Canada, including non-resident trips and Canadian-resident return trips,

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

Leading indicator of international arrivals to Canada, December 2023, December 11, 2024, www.statcan.gc.ca

US/WORLD

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



Source: BTS

The Bureau of Transportation Statistics (BTS) on January 5, 2024 released its [final update to the Government Transportation Financial Statistics](#) (GTFS), with data through 2021. The GTFS provides a set of maps, charts, and tables with information on transportation-related revenue and expenditures for all levels of government, including federal, state, and local, and for all modes of transportation. This year BTS will transition to a new product called Transportation Public Finance Statistics (TPFS). TPFS builds on the GTFS foundation by increasing the granularity of the estimates and will include a preliminary release in June of 2024 (2022 estimates) as well as an annual release in December 2024. State, local, and federal governments play an important role in the U.S. transportation system, as providers of transportation infrastructure and as administrators and regulators of the system. In 2021, government spending in the U.S. on

building, rehabilitating, maintaining, operating, and administering the transportation system totalled just over \$340 billion, after adjusting for inflation. GTFS captures this spending and revenue and helps users understand these considerable inflows and outflows of funds.

Bureau of Transportation Statistics Releases Final Update to the Government Transportation Financial Statistics, January 5, 2023, www.bts.gov

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

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

NRF economist says 2023's consumer spending growth is 'not necessarily sustainable' in 2024, January 9, 2024, www.ajot.com

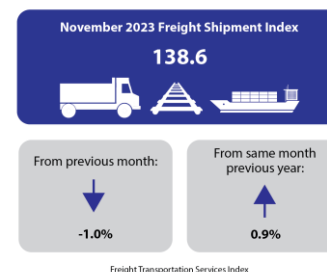
USDOT Announces Progress Delivering Results for America

The U.S. Department of Transportation (DOT) on January 10, 2024 released a report updating the public on the Biden-Harris Administration efforts to improve America's transportation

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

USDOT Announces Progress Delivering Results for America, January 10, 2024, www.dot.gov

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



Source: BTS

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

November 2023 Freight Transportation Services Index (TSI) Down 1.0% from the Previous Month but Up 0.9% from the Same Month Last Year, January 11, 2024, www.bts.gov



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Job Postings

* The University of Tennessee in partnership with UT-ORII, have two research faculty positions available: 1) ITS and 2) Traffic Safety

The University of Tennessee and Oak Ridge National Laboratory founded UT-ORII in 2019 to help the US maintain prominence as a global leader in innovation and discovery, and to create a robust talent pipeline in areas of growing national need and demand. UT-ORII is funded by the Department of Energy and the State of Tennessee.

Details of the job descriptions are provided below.

Research Assistant Professor – Intelligent Transportation System
<http://apply.interfolio.com/136411>

Research Assistant Professor – Traffic Safety
<http://apply.interfolio.com/136412>

* 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

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engage and interact with stakeholders in the public and private sector. To apply, please click here:

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

* GLG, looking for consulting experts in various transportation and logistics fields

We have been approached by GLG, a bona fide professional services organization which provides hourly consulting services, looking for experts in various transportation and logistics fields. These are done over the phone or in a web meeting (not in person). If you would like to be considered as a candidate (GLG typically pay up to \$200/hr. for these 30 minute or 60 minute consultations) for any of these please let Andrew Young know and he will put you in contact with them (uschapter@ciltna.com).

Diesel-to-Electric Battery Repowering | Trains, Trucks, or Boats

One of our clients, a railcar manufacturer, would like to speak with an expert who is knowledgeable about repowering heavy machinery, such as trains, boats, and trucks. More specifically, they're looking to better understand what it takes to go from diesel to electric battery powered, as well as who the leading suppliers of key components are (e.g., power control systems, inverters, batteries, motors, etc.).

Project Questions

- Do you have experience repowering heavy machinery, such as trains, boats, or trucks? If so, please elaborate on your relevant experience below.
- Are you able to discuss the repowering design, specifically what it takes to transition from conventional diesel to electric battery powered?
- Are you knowledgeable about suppliers of key repowering components (e.g., power control systems, inverters, batteries, motors,

etc.)? If so, please note which component suppliers you could elaborate on during a call below.

Fleet Management | Market Overview

One of our clients, a project team at a professional services firm, would like to speak with individuals that have in depth knowledge on the truck fleet management space. Topics of interest include:

- Products offered by truck fleet management companies
- Value chain
- Products
- Market size, areas for growth, and top players in the space

Please Note: Our client is working on behalf of a corporation or investment firm. GLG Network Members are not permitted to consult about their current employer(s) or provide any information that may be considered confidential or proprietary to their current or former employers or other third parties.

Project Questions

- Can you list what are the main products that a truck fleet management company offers?
- On a scale from 1-5 (1=not able to speak, 5=extremely knowledgeable), how knowledgeable are you on the following topics related to fleet management:
 - Who do you believe are the 3-5 main truck fleet management companies and who has been gaining market share in the last 5 years?
 - Can you speak to what is the average gross margin that fleet management companies generally have combining all products and services? (in %)

Fleet Operations | Fleet Manager Perspective

One of our clients, a project team at a professional services firm, would like to speak with professionals with fleet management experience across truck, rail, maritime, or aviation fleets.

Please Note: Our client is working on behalf of an Oil & Gas Provider. GLG Network Members are not permitted to consult about their current employer(s) or provide any information that may be considered confidential or proprietary to their current or former employers or other third parties.

Project Questions

- Roughly how many vehicles are/were included in your fleet?
- Are you involved in the evaluation and decision-making process for fuel choices and alternative products used in your fleet? Please select which best represent your relevant experience.

- Are you familiar with fuel alternative products ("green fuel", biofuels, etc.)? Please briefly elaborate on your experience in 1-2 sentences.
- Can you speak to your preference of fuel vs. fuel alternative products and your rationale? Please briefly elaborate in 1-2 sentences.
- Could you provide examples of and speak to companies that are selling fuel alternative products in the market today? What are your perceptions of these companies?
- Can you speak to the fuel alternative products in the market today? What are your perceptions of these products? What has influenced your perception? Please briefly elaborate on your ability to discuss in 1-2 sentences.
- Could you provide examples of when you have utilized fuel alternatives within your business/at your place of work? What were the advantages? The disadvantages? Please briefly elaborate on your ability to discuss in 1-2 sentences.
- Could you speak to making purchase decisions regarding fuel alternatives? What were your considerations? What ultimately influenced your decision? Please briefly elaborate on your ability to discuss in 1-2 sentences.
- Could you speak to the sources/influences that you consulted during this buying process? Please briefly elaborate on your ability to discuss in 1-2 sentences.
- Does your CURRENT company compete with Oil & Gas Manufacturers.
- Do you have current/recent experience (within 0-2 years) in fleet management across any of the following segments?

Freight Brokerage Services | Overview

One of our clients, an analyst at an investment management firm, would like to speak with a Network Member who can speak on the freight brokerage services space. Topics of discussion include:

The unique dynamics of fresh produce / temperature-controlled shipping

- Defensive actions to take during a brokerage downturn
- Main drivers of freight brokerage financials
- Up and coming tech platforms for freight brokerages

GLG Network Members are not permitted to consult about their current employer(s) or provide any information that may be considered confidential or proprietary to their current or former employers or other third parties.

Project Questions

- Can you speak to the unique dynamics of fresh produce/temperature-controlled shipping? If so, please elaborate on your ability to do so below.

- Have you navigated a downturn at your brokerage? If so, can you speak on the defensive actions that were taken?
 - Can you speak on the main drivers of freight brokerage financials? If so, please elaborate in 1-2 sentences on your ability to do so below.
 - Can you speak on any emerging tech platforms for freight brokerages? If so, please elaborate on them below.
 - Do you have any off-limit topics and/or anything you might be contractually obligated not to discuss regarding this consultation or space? If so, please briefly elaborate on the topics you are not allowed to discuss.
-



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