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Ocean Updates

Port of Vancouver Operations Update – August 21

In case of rail service disruption, the Port of Vancouver has taken steps steps to maintain port fluidity and ensure that terminals partially affected or not affected by the disruption can continue to operate.

- Coordinating with Transport Canada, the Canadian Coast Guard and the Pacific Pilotage Authority to increase situational awareness and enhance safety for ships destined for the Port of Vancouver and southern B.C. This includes monitoring pending vessel arrivals, berth and anchorage capacity; weather forecasts; vessels holding off the B.C. coast; and developing vessel traffic management contingency plans.
- Requesting that port terminal operators assist in confirming anticipated and estimated berthing dates for arriving vessel to ensure available anchorage capacity supports port capacity optimization.

More details are available here.

Port of Montreal Operations Update – August 20

With the halt in rail operations, all activities at the Port of Montreal related to the ships, as well as truck access to the terminals, will be fully operational.

Considering the embargoes put in place by the rail networks, the Montreal Port Authority and its operators are working diligently to enable those using its terminals to consider alternatives, particularly trucking, to maintain fluidity in its operations.

Shipping Alliance Shake-up Will Make Waves During New Contract Season

With the ocean shipping alliances set to undergo major upheaval, the upcoming contract negotiation season will be different, because of "big unknowns", according to the director of the Global Shipper's Forum, James Hookham.

In February, ocean carriers Maersk and Hapag-Lloyd will leave their respective groupings, the 2M and THE Alliance, to form the Gemini Cooperation.

The 2M's MSC will remain alone, THE Alliance will comprise just HMM, ONE and Yang Ming, while the Ocean Alliance of CMA CGM, Cosco, OOCL and Evergreen remains unchanged.

This leaves shippers eyeing long-term contracts questioning where to sign and wondering if further alliance shifts are yet to be announced.

Read more in an article from The Loadstar.

Rail and Truck Updates

CN Moves Forward with Lockout

CN has formally locked out employees represented by the Teamsters Canada Rail Conference (TCRC) as of today at 00:01 ET, after the union did not respond to another offer by CN in a final attempt to avoid a labour disruption.

Without an agreement or binding arbitration, CN had no choice but to finalize a safe and orderly shutdown and proceed with a lockout.

Read more in a press release from CN.

CPKC Locks Out TCRC Employees, Moves to Full Shutdown of Canadian Rail Network

Canadian Pacific Kansas City has locked out employees who are members of the Teamsters Canada Rail Conference (TCRC) – Train and Engine (T&E) division effective 00:01 Eastern Time today.

That was followed by the lockout of employees who are members of the TCRC – Rail Traffic Controller (RCTC) division effective 00:01 Mountain Time today.

Working closely with customers, CPKC has executed a safe and structured shutdown of its train operations across Canada. This will enable CPKC to safely and efficiently resume full rail operations across the entire network once the work stoppage ends.

Read more in a press release from CPKC.

CN–TCRC Update: Intermodal Inland Terminals Remain Operational

Reminder: CN's intermodal inland terminals will remain operational and customers can pick up arrived import containers as usual.

As Canada Braces for Rail Stoppage, Truckers Scramble to Meet Demand

As Canada braced for a freight rail stoppage that could hit industries ranging from autos to agriculture, the trucking sector said it faced higher demand it could not meet.

Daman Grewal, a senior operations manager with British Columbia-based Centurion Trucking, would normally expect 20 or 30 online postings from shippers seeking trips east across Canada on an August Monday. On Monday morning, he saw more than 500.

"Last week is when a lot of the panic started to set in," said Grewal, noting trips for which he charged C\$7,000 (\$5,139) a few days ago now cost up to C\$9,000. "Similar to COVID, you see the scarcity in supply chain."

Grewal said Centurion could increase capacity 10% to 20%, largely by reducing driver downtime.

"We would just have to turn the drivers around a little bit quicker," he said.

Industry officials said some softening in the economy has left room to increase capacity but not enough to make up for idled railways.

Read more in an article from Reuters.

Off the Rails: Rail Stoppages Will Have Widespread Impacts

A labour dispute is threatening to shut down much of Canada's rail industry. Roughly 9,000 workers at Canadian National (CN) and Canadian Pacific Kansas City Ltd (CPKC) have served a strike notice that could come into effect today, August 22. Labour negotiations for these two companies usually occur in alternate years, so while we've had rail stoppages in the past, we have not experienced a situation where stoppages would occur for the two dominant industry players at the same time.

CN and CPKC dominate the rail industry in Canada. A stoppage would essentially halt an industry that accounts for 0.45 percent of Canada's GDP and employs about 0.25 percent of the workforce. However, while the direct impact of rail stoppages may be small if limited in duration, the knock-on effects are the most concerning. Rail lines carry more than \$1 billion worth of goods each day, according to the Railway Association of Canada, and more than half of the country's exports travel by rail.

Other Business

FIATA World Congress, Panama City, September 23 to 27

The <u>FIATA World Congress</u> is a major annual gathering that brings together leading professionals, thought leaders, experts and innovators from the logistics, transportation and freight industries.

During the event, there will be conferences, panel discussions, workshops and networking opportunities, all designed to foster knowledge sharing and promote collaboration among participants. Industry experts will provide up-to-date information on the latest trends, emerging technologies and best practices in the industry. You will be kept abreast of the latest developments and will be able to apply that knowledge in your own organization.

The 2024 FIATA Congress is a unique platform to get a complete overview of the global logistics industry. From supply chain and freight management to regulation and sustainability, you will have a holistic understanding of the challenges and opportunities facing the industry.