

CANADA Daily News and Updates August 12th 2023

Air Updates

- Air Canada Drops 2 Late-Model Boeing Freighters from Fleet

Ocean Updates

- Explosion at Ningbo-Zhoushan Port in China Raises Serious Safety Concerns in Ocean Container Shipping
- U.S. Container Ports Face Record Cargo Surge Ahead of Possible Port Strike

Rail and Truck Updates

- CN Asks Federal Government to Order Binding Arbitration to Protect Canada's Economy
- CPKC to Issue TCRC Lockout Notice for August 22
- CPKC Shutdown Preparation
- Labour Minister Reacts to CIRB Decision

Air Updates

Air Canada Drops 2 Late-Model Boeing Freighters from Fleet

Air Canada has removed two new cargo jets from its fleet, furthering a strategic reversal in ambitious growth plans for dedicated freighter operations after less than three years even as the air cargo market experiences a robust recovery in 2024.

A management analysis published alongside the company's second-quarter earnings report on Wednesday showed the size of the freighter fleet had fallen from eight to six Boeing 767-300 aircraft. A footnote indicated the two planes were sidelined in April.

Executive Vice President Mike Galardo mentioned on a call with analysts later that two freighters were pulled from the operating fleet early in the second quarter.

An Air Canada spokesperson declined to provide additional details about the status of the two freighter aircraft or why they have been grounded, but indicated in the response that they were "temporarily" removed from service.

Read more in an [article from FreightWaves](#).

Ocean Updates

Explosion at Ningbo-Zhoushan Port in China Raises Serious Safety Concerns in Ocean Container Shipping

A major explosion occurred on Friday on a container ship berthed at the port of Ningbo-Zhoushan in China in another incident that raises serious safety concerns.

Video footage shows a massive explosion onboard the YM Mobility. There are no reports of casualties.

Peter Sand, Xeneta Chief Analyst, said: "This type of incident should never happen and is another example of how one failure in ocean container shipping can have catastrophic consequences.

"Had this explosion happened at sea rather than at berth in port then the crew and ship would have been in even more perilous danger.

"An investigation will take place and the industry must learn from it. Container ships are used to transport hazardous and potentially explosive cargo, so it is of paramount importance that robust safety measures are in place."

Read more in an [article from the American Journal of Transportation](#).

U.S. Container Ports Face Record Cargo Surge Ahead of Possible Port Strike

Monthly inbound cargo volume at major U.S. container ports is expected to approach record levels as retailers expedite shipments ahead of a potential strike at East and Gulf Coast ports, the National Retail Federation (NRF) announced Thursday.

"Retailers are concerned by the possibility of a strike at ports on the East and Gulf coasts because contract talks have stalled," said Jonathan Gold, NRF Vice President for Supply Chain and Customs Policy. "Many retailers have taken precautions, including earlier shipping and shifting cargo to West Coast ports."

The contract between the International Longshoremen's Association and the United States Maritime Alliance, covering East Coast and Gulf Coast ports, is set to expire on September 30. With negotiations at an impasse, the ILA has threatened to strike if a new contract is not reached by the deadline.

Read more in an [article from gCaptain](#).

Rail and Truck Updates

CN Asks Federal Government to Order Binding Arbitration to Protect Canada's Economy

Following the Canada Industrial Relations Board's (CIRB) decision that does not bring the labour conflict any closer to a resolution, CN is formally requesting the Minister of Labour's intervention under section 107 of the Canada Labour Code to protect Canada's economy from the impacts of prolonged uncertainty.

Negotiations with the TCRC resumed on Wednesday. However, no progress has been made, said the railway in a press release, "as the TCRC has not engaged meaningfully at the negotiating table."

While CN is willing to keep negotiating with the TCRC, "the company has lost faith in the process and is concerned that a negotiated deal is no longer possible without a willing partner."

Unless there is immediate and meaningful progress at the negotiating table or binding arbitration, CN will begin a phased and progressive shutdown of its network, starting with embargoes of hazardous goods, which would culminate in a lockout at 00:01 Eastern Time on August 22nd.

Read more in a [press release from CN](#).

CPKC to Issue TCRC Lockout Notice for August 22

Canadian Pacific Kansas City on August 9 said it will issue notice to the Teamsters Canada Rail Conference (TCRC) – Train and Engine (T&E) division and TCRC – Rail Traffic Controller (RCTC) division of its plan to lock out employees at 00:01 ET on August 22 if union leadership and the company are unable to come to a negotiated settlement or agree to binding interest arbitration. CPKC is committed to continuing good faith negotiation throughout.

The decision to issue a lockout notice comes after the Canada Industrial Relations Board (CIRB) on Friday issued its decision, determining that no services need to be maintained during a railway strike or lockout in order to protect Canadian public health and safety. The CIRB also ordered a 13-day extension of the cooling off period, which ends on August 22. Following the expiration of the cooling off period, a legal strike or lockout involving the TCRC – T&E or TCRC – RCTC could occur.

Read more in a [press release from CPKC](#).

CPKC Shutdown Preparation

In a Customer Station Bulletin on Friday, CPKC outlined its plan for a safe, structured shutdown of its Canadian train operations, if that is required.

An embargo application for toxic by inhalation (TIH) or poisonous by inhalation (PIH) shipments routing to and from CPKC Canadian locations is now in place to be effective at 00:01 Monday, August 12. This embargo applies to:

- All TIH / PIH shipments originating in Canada that are billed to any Canadian, U.S. or Mexico destinations
- All TIH / PIH shipments originating in the United States or Mexico that are billed to any Canadian destinations

The embargo can be rescinded at any time.

Any shipment that is impacted by the work stoppage will be secured in a safe location.

For up-to-date information on specific impacts to your shipments or other problem resolution inquiries, contact Customer Service at 1-888-333-8111. You can also reach Customer Service through the Log an Issue tool on Customer Station or via email at customer_service@cpkcr.ca.

Labour Minister Reacts to CIRB Decision

Canada's Labour Minister, Steven MacKinnon, posted on X after the Canada Industrial Relations Board (CIRB) issued its decision related to a potential strike or lockout at CN and CPKC. His statement ended with the following.

"The parties in this dispute have a responsibility to Canadians. I call upon the parties to stay at the bargaining table and continue holding productive and substantive discussions that meet the needs of this moment. A negotiated agreement is the best way forward."

Read the [full statement](#).