

## Weekly Market Update

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### Latest News

**B.C. extends state of emergency.** British Columbia is again extending its provincial state of emergency that's been in place after torrential rain caused severe flooding and mudslides last month. The province says in a news release that multiple highways are still damaged, so the emergency order, which gives the province additional powers, is being extended to Jan. 11. Public Safety Minister Mike Farnworth says in the release that while significant progress has been made on repairs, there's still more to do to reopen highways and get people back into their homes. The order restricting travel on the Coquihalla Highway, or Highway 5, and on Highway 99 will remain in place. The Coquihalla Highway, a major link between Metro Vancouver and southern British Columbia to the rest of the province, was reopened on Dec. 20 following round-the-clock repairs, but only to trucks and intercity buses. Farnworth earlier announced a two-week extension on Dec. 13 to the provincial state of emergency as crews continued work to reopen highways and while traffic on some major routes was limited to essential services. In the release announcing the latest extension, Farnworth thanks British Columbians "for their patience and compliance during these challenging times, and to the crews who have worked tirelessly to get these highways back open."

### Air Freight

**Cathay Pacific Cargo released this statement:** Further to our announcement on 28th December, due to additional, more stringent quarantine requirements for Hong Kong-based cargo crews, we regret to announce that all long-haul (transpacific, Europe, South West Pacific, Riyadh, and Dubai) freighter and cargo-only passenger flights will be suspended for a period of seven days, up to 6th January, with immediate effect. We sincerely apologise for the disruption caused. We will be working with customers to mitigate the disruption as much as possible. In addition, we are working with the relevant stakeholders on plans beyond 6th January and will communicate further on these as soon as possible. For further enquiries, please contact your local Cathay Pacific Cargo office.

### Sea Freight

**BC Washouts: CN Network Productivity Returns to Normal Range, Community Support and Assistance Remains Ongoing.** MONTREAL, Dec. 21, 2021 (GLOBE NEWSWIRE) -- CN (TSX: CNR) (NYSE: CNI) announced today that the productivity and capacity of its network in BC has nearly returned to pre-washout levels as crews continue to work around the clock. During the three-week period between November 14, 2021 and December 4, 2021, when CN's network was shut down, the Company experienced 58 outages over a 150-mile stretch. The railroad mobilized over 400 employees and contractors and over 110 pieces of heavy equipment, operating 24 hours a day, seven days a week to get the rail line back into service. 282,000 cubic yards of rock, earth, and backfill materials were moved to rebuild damaged locations, the equivalent of over 25,000 truckloads. Despite significant setbacks, including a recent stoppage near Jasper and cold weather in the Prairies, operating metrics are pointing towards successful recovery efforts approximately two weeks after the network reopened. The Company also worked closely with emergency management officials to provide assistance to British Columbians impacted by the weather. Working with partners, CN helped evacuate

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hundreds of stranded residents, brought urgent medical care to areas cut off by floods, and delivered much needed medical equipment to locations isolated by the water. CN also donated \$100,000 to the Canadian Red Cross British Columbia floods and extreme weather appeal. CN was also able to use its exclusive access to the Port of Prince Rupert to move goods. Resources and staffing levels were increased to keep Canadian natural resources moving to markets as well as keeping consumer goods from overseas flowing to communities across North America. "We could not be prouder of the remarkable work done by our railroaders and suppliers to get goods moving again while also answering the call to help out neighbours in times of need. The strategic capital investments we made in our capacity over the last few years has once again enabled us to be resilient and recover quickly. We know that there remains work ahead of us to get supply chains back in balance. We are committed to getting the job done and we are encouraged by the results to date and the operating metrics which demonstrate that we are achieving success in restoring close to normal productivity."

**Port of Los Angeles plans fees for empty containers.** The Port of Los Angeles plans to begin charging a fee to ocean carriers that allow empty containers to linger on the port's marine terminals for nine days or longer in the latest bid to ease congestion at American ports. The fee, subject to approval by the Los Angeles Harbor Commission, would take effect on January 30, 2022. Under the policy, starting January 30 ocean carriers will be charged \$100 for an empty container dwelling for nine days, increasing in \$100 increments per container per day until the container leaves the terminal. If approved by the Harbor Commission, implementation of the fee will be at the discretion of the executive director. "While we have seen significant success reducing import containers on our docks the past two months, too many empty containers are currently sitting on marine terminals," said Port of Los Angeles executive director Gene Seroka. "Just like the import dwell fee, the objective with this empty container program is not to collect fees but to free up valuable space on our docks, clearing the way for more ships and improving fluidity." The Los Angeles Harbor Commission will consider the program at its January 13 board meeting. The Port of Los Angeles announced a similar program on October 25 for lingering import containers. The port has delayed enacting the fee on the import containers because import containers dwelling more than nine days has been reduced by 53% since October 24.

## Trucking

**Feds looking at hazardous materials training.** Canadian regulators are looking to better define what it means to be "adequately trained" when transporting dangerous goods, under proposed rule changes published in Canada Gazette, Part 1. While acknowledging that most businesses meet or exceed requirements under existing Transportation of Dangerous Goods Regulations, Transport Canada says it has found that some certified employees still lack the knowledge and skills needed for the job. There were 409 dangerous goods incidents leading to injuries and deaths between 2014 and 2019, with 55 of the incidents attributed to improper or insufficient training, says a preamble to the proposed rules. Of 300 training violations during that period, 23 percent were linked to people performing tasks for which they were not adequately trained. The proposed rules refer to general awareness training and function-specific training, aligning with international codes. Regulations Amending the Transportation of Dangerous Goods Regulations, Part 6 include a competency-based training assessment, and align training requirements with the United Nations Model Regulations for the Transportation of Dangerous Goods, Title 49 of the United States Code of Federal Regulations, the International Maritime Dangerous Goods Code, and the International Civil Aviation Organization Technical Instructions. If finalized, training assessments would be documented in a new certificate of competency to replace today's certificate of training, but continue to be valid for three years. Employers would no longer need to keep copies of the certificates, but need to retain related records for two years.

## Market Sources

<https://www.cathaypacificcargo.com/>

<https://www.insidelogistics.ca/hazardous-materials/feds-looking-at-hazardous-materials-training-178828/>

<https://www.cn.ca/en/news/2021/12/bc-washouts-cn-network-productivity-returns-to-normal-range-comm/>

<https://splash247.com/port-of-los-angeles-plans-fees-for-empty-containers/>

This announcement applies to all Kintetsu World Express Transportation Services, including our Air Freight, Sea Freight, Ground Freight and Logistics.

Kintetsu World Express is continuously monitoring the situation and will provide further updates as the information becomes available.

If you have any questions, please contact your local KWE representative.

Thank you, we appreciate your business. Visit Our Website [www.kwe.ca](http://www.kwe.ca)

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