



Mid-August 2022 Freight Market Outlook

Canadian Customs Update

Canada Bans Single-Use Plastics

- At the end of 2022 Canada is implementing legislation that will ban companies from importing or making single-use plastic products. Single-use plastic products include plastic bags, take-out containers, straws, cutlery, stir sticks, and six-pack beverage rings. Companies will have to focus on products that are biodegradable. Exportation of single-use plastic is set to be banned from Canada in 2025. These measures are meant to prevent further pollution.

Temporary Import Ban on Handguns Bill C-21

- The Federal Government of Canada has introduced Bill C-21 which is meant to remove firearms off the streets and help improve upon community safety. This bill is taking effect on August 19, and it will prevent the importation of all restricted handguns into Canada. All importers must

check if their commodity is considered restricted by the Federal Government of Canada.

Canadian Freight Update

Ocean Freight

West Coast Canadian Ports and Dwell Times

- The Vancouver and Prince Rupert ports are experiencing ongoing delays. The current average dwell time for both the Vancouver and Prince Rupert Port is expected to be between **14 and 21 days**. Importers should incorporate these delays into their estimated time of arrival.

Air Freight

Toronto Pearson Airport Delays

- The Toronto Pearson Airport in Canada is experiencing delays in cargo release and commercial flights. This is due to a surge in travel as COVID-19 restrictions lessen and the labour shortage continues. It has recently been named the worst in the world for delays.

Land Freight

Terminal Congestion in Canada

- Equipment and labour shortages have created congestion in the Toronto, Montreal, and Halifax terminals causing considerable delays to cargo. These delays are attributed to:
 - Limited truck drivers at inland ramps.
 - Distribution centers and warehouses reducing deliveries which is expected to create bottlenecks in the rail network.

Detention and Demurrage Charges

- The Canadian Terminals are experiencing heavy congestion preventing trucking companies from returning empty containers to the CN/CP. For this reason importers must be prepared to incur demurrage and detention charges on their containers.
- The CP is currently not accepting any container returns on weekends and is not providing an alternative drop off location. This can cause the last free date to pass and have importers incur detention charges.

Canadian National Railway (CN) Shuttle Procedures Update

- The CN has opened a third-party container yard to help with the overflow of containers. The shuttle will take containers at random to the third-party yard, if a container is selected it will incur the shuttle fee of \$300 per unit. This is meant to help create more capacity at yards and terminals which will improve supply chain movement.

Canadian National Railway Congestion (CN) Issues

- Currently it is peak season for the CN and this usually causes their Malport System to crash or glitch. Due to the system crashes and glitching, truck drivers may wait an extra 3 hours to pick up a container at the CN terminal.
- CN Brampton has little to no room for new containers. This is causing containers to be grounded in 53" areas which is preventing crane operators from reaching these containers.
- The CN terminals are full which is causing further congestion issue to take place and the CN is not actively updating their system. This is preventing truck drivers from picking up the containers on time. This has caused delays of up to 4 hours inside terminals to find a container.

Main Takeaways for August 2022

- Canada bans single-plastic use items for importation by end of 2022
- The Federal Government of Canada introduced Bill C-21 preventing the importation of all restricted handguns into Canada
- The Vancouver and Prince Rupert Port are currently experiencing an average Dwell time between 14 and 21 days.

- The Toronto Pearson Airport is experiencing delays in cargo release and commercial flights with no solution in sight.
 - The CN/CP terminals are experiencing heavy congestions preventing truckers from returning containers, this is causing importers to incur detention and demurrage charges
 - The CP terminal is not accepting any container returns on weekends which can cause the last free date to pass and detention charges to be incurred
 - The CN is using a third-party yard to help with the overflow of containers, the shuttle fee is \$300, and containers are selected at random
 - The CN terminals are full, and the CN is not actively updating their system preventing truck drivers from picking up containers on time
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Additional Considerations

- Forecast 6-8 weeks minimum.
- Bookings are recommended to be placed at least 4 weeks in advance of sailing date.
- Prioritization solution: FCL convert to LCL, air (air freight has the ability to fill orders quickly and re-establish some level of safety stock).
- Variability of SKUs/ parts.
- Smooth volume week to week.
- To complete CBSA CARM client portal by Winter 2022.
- To obtain the importer direct customs release bond by summer 2022.
- Regular communication with DTS Advance Logistics.

