



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

THE STRIKE IN 2023 AT BRITISH COLUMBIA PORTS: SELECTED ECONOMIC IMPACTS AND FEDERAL ACTIONS

Report of the Standing Committee on International Trade

Honorable Judy A. Sgro, Chair

**APRIL 2024
44th PARLIAMENT, 1st SESSION**

Published under the authority of the Speaker of the House of Commons

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON INTERNATIONAL TRADE

has the honour to present its

EIGHTEENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the 2023 strike at the Port of Vancouver: selected impacts, responses and port-related innovation and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada ensure sufficient, timely and ongoing communication with Canadians affected by supply chain disruptions resulting from work stoppages occurring within the federal jurisdiction, including at ports. 15

Recommendation 2

That the Government of Canada expeditiously adopt policies and implement measures that would ensure that Canada’s trade-related infrastructure, including the country’s ports, is adequate and well maintained. In developing policies and measures, the Government should work with representatives of business trade associations and organized labour groups to identify the best means by which state-of-the-art technologies can be integrated into this infrastructure with due consideration given to resulting employment consequences. 15

Recommendation 3

That the Government of Canada continue to recognize the right of negotiating parties to engage in a work stoppage as a legitimate part of the collective bargaining process, and review relevant federal legislation with the goal of ensuring that decision makers are at the bargaining table. Such a review could include examination of section 34 of the *Canada Labour Code*. 15

Recommendation 4

That the Government of Canada acknowledge that significant delays in transporting goods using Canada’s critical trade-related infrastructure, such as ports, have negative implications for the domestic affordability of food. 15

Recommendation 5

That the Government of Canada consult Canadian firms and groups representing organized labour to identify Canada’s ports of entry and trade corridors that are considered to be part of the country’s critical trade-related infrastructure. Following this identification, the Government should develop response plans to be implemented if a labour disruption occurs at these ports of entry or in relation to these trade corridors. 16

Recommendation 6

That the Government of Canada implement measures designed to enhance its leadership role in coordinating with stakeholders when responding to labour disruptions that affect critical trade-related infrastructure. 16

Recommendation 7

That the Government of Canada improve the performance of Canada’s ports by immediately implementing measures aimed at enhancing their efficiency and reliability. Particular efforts should be directed to the Port of Vancouver, which had a global ranking of 347th out of 348 ports in the World Bank’s Container Port Performance Index for 2022. 16

Recommendation 8

That the Government of Canada immediately implement measures designed to improve Canada’s global infrastructure ranking, which—in 2008—was 10th among 134 jurisdictions regarding the quality of overall infrastructure and—in 2019—was 32nd among 141 jurisdictions concerning transportation infrastructure. As part of these efforts, the Government should allocate resources to enhance trade-related infrastructure at Canada's ports, including the Port of Vancouver. 16

Recommendation 9

That the Government of Canada acknowledge the immediate need to complete construction of the Roberts Bank Terminal 2 at the Port of Vancouver, which is expected to increase the Port’s capacity by 1.6 million containers and thereby improve efficiency and operational capabilities. To that end, the Government should implement measures designed to shorten drastically the current estimated 20-year timeline for the terminal’s completion..... 16



THE STRIKE IN 2023 AT BRITISH COLUMBIA PORTS: SELECTED ECONOMIC IMPACTS AND FEDERAL ACTIONS

INTRODUCTION

Transportation infrastructure helps to ensure that firms can move their goods to internal and international customers, as well as acquire production inputs, and that consumers can access a wide range of domestic and foreign products. Among this infrastructure, ports are particularly important. According to the [United Nations Conference on Trade and Development](#), approximately 80% of the volume of internationally traded goods are transported by ship. The [World Bank](#) asserts that high-quality ports infrastructure can help to attract investment to a country's production and distribution networks; poor-quality ports infrastructure can hinder international trade.

The [Port of Vancouver](#) is Canada's largest port by cargo tonnage. The port is served by the Canadian National Railway, the Canadian Pacific Railway and the U.S.-based Burlington Northern Santa Fe Railway. It has 29 major terminals and can handle diversified cargo, including bulk and container. In addition to the Port of Vancouver, the [Port of Prince Rupert](#), [Port Alberni](#), the [Port of Nanaimo](#), the [Port of Stewart](#), the [Port of Victoria](#) and nine "[remote port facilities](#)" are located in British Columbia (B.C.).

On 30 November 2022, the British Columbia Maritime Employers Association provided a [notice to commence collective bargaining](#) to International Longshore and Warehouse Union Canada. They began negotiations on 16 February 2023, and their collective agreement [expired](#) on 31 March 2023. On 5 June 2023, the union's negotiating committee [authorized](#) a strike vote, which was held on 9 and 10 June 2023. According to [International Longshore and Warehouse Union Canada](#), 99.24% of those who voted supported a strike. Following the 72-hour strike notice that the union [served](#) the employers association on 28 June 2023, a strike [began](#) on 1 July 2023 at most marine terminals at B.C. ports.

The bargaining committees of the British Columbia Maritime Employers Association and International Longshore and Warehouse Union Canada [reached](#) a tentative four-year agreement on 13 July 2023, thereby ending the strike. However, on 18 July 2023, the union's leaders [voted against](#) the tentative agreement and declared that the bargaining unit members would be striking again as of 16:30 Pacific Time that day. The next day, the Canada Industrial Relations Board [ruled](#) that the union had not provided the required



72-hour notice for a new strike. On 21 July 2023, the union’s leaders who had voted against the tentative agreement on 18 July 2023 recommended the agreement to the bargaining unit members; one week later, the members rejected the tentative agreement.

On 30 July 2023, the British Columbia Maritime Employers Association and International Longshore and Warehouse Union Canada jointly announced that they had reached a new tentative agreement with the assistance of the Canada Industrial Relations Board. The employers association ratified the new agreement the next day, with the union doing so on 4 August 2023.

On 17 October 2023, the House of Commons Standing Committee on International Trade (the Committee) adopted a motion relating to certain of these events. With some observers mentioning a strike at one port—the Port of Vancouver—and others drawing attention to two strikes—one with and one without a 72-hour notice period—and labour disruptions at multiple B.C. ports, the motion took the former approach and required the Committee to examine the economic impact of the strike that occurred at the Port of Vancouver in 2023, the Government of Canada’s response to the strike, and opportunities for innovation in Canada’s ports sector. Similar to the motion, this report uses the phrase “the 2023 strike” in reference to the summer 2023 labour disruptions at the Port of Vancouver and other B.C. ports. Appendix A summarizes the timeline of events outlined above, and also includes some related federal actions.

During four meetings held between 30 November and 12 December 2023, the Committee heard from Government of Canada officials, the Government of Alberta’s Minister of Transportation and Economic Corridors, eight business trade associations, two organized labour groups, one firm, one think tank and one academic. As well, the Committee received six briefs and one written response.

This report summarizes comments made by witnesses, and contained in the briefs and written response submitted to the Committee. In particular, the first section provides their observations about selected economic impacts of the 2023 strike, and the second section presents their views about actual and desired federal actions in relation to the 2023 strike and future work stoppages. The final section contains the Committee’s thoughts and recommendations.

SELECTED ECONOMIC IMPACTS

When speaking to the Committee about the economic impacts of the 2023 strike, witnesses focused on: economic costs; supply chains, particularly shipping delays and

other disruptions; international reputation as a trading partner; and firms' competitiveness, costs and production.

Economic Costs

In a written response submitted to the Committee, Transport Canada stated that the 2023 strike reduced Canada's gross domestic product by between \$730 million and \$980 million, and affected merchandise shipments having a total value of \$10 billion. The written response also noted that Transport Canada used information gathered during its daily virtual meetings with stakeholders, which were held throughout the strike, to "assess, validate and calibrate [its] estimates and understanding of the [strike's] impact."

The [Greater Vancouver Board of Trade](#) claimed that 25% of the volume of Canada's exported and imported goods travel through the Port of Vancouver, and suggested that—each day during the 2023 strike—Canadian international trade valued at \$800 million was "disrupted," totaling \$10.7 billion over the duration of the strike. According to a [brief](#) that Canadian Manufacturers & Exporters submitted to the Committee, the strike "cost the Canadian economy" an estimated \$500 million daily in international trade. The [Canadian International Freight Forwarders Association](#) contended that estimates of the economic impacts of the strike likely understate the total economic costs.

In its [brief](#), Canadian Manufacturers & Exporters asserted that the 1.8 million employees in Canada's manufacturing sector, as well as their employers and communities, "were forced to bear the brunt" of the 2023 strike's impacts. The [Greater Vancouver Board of Trade](#) drew attention to "significant" impacts in Canada's agricultural, automotive dealership, forestry, mining, potash and trucking sectors.

Supply Chains

The [Canadian Chamber of Commerce](#) argued that the 2023 strike caused "major [shipping] delays" that affected Canadian firms "in virtually every sector across the country." The [Greater Vancouver Board of Trade](#) mentioned such sectors as agricultural, automotive dealership, energy, manufacturing and retail.

With a focus on specific goods affected by the delays resulting from the 2023 strike, Transport Canada [officials](#) noted that some refrigerated goods spoiled as they were being transported to their destination, and also highlighted "seasonal" consumer goods. [Canpotex Limited](#) indicated that—anticipating a forthcoming strike—Canadian railways



stopped shipping the firm’s Saskatchewan-mined potash beginning on 28 June 2023, and claimed that the strike delayed potash shipments, with [Global Automakers of Canada](#) commenting that the strike at the Port of Vancouver caused vehicle deliveries to a number of automotive dealerships to take 60 days longer than would otherwise have been the case. The [brief](#) submitted to the Committee by David Mayle—General Manager of AG-I MotorTec Inc., a supplier of barn ventilation motors—characterized the strike-related shipping delays, which coincided with the “peak” of the “ventilation season,” as a “direct threat” to the firm’s supply of motors.

In providing a different perspective, [International Longshore and Warehouse Union Canada](#) suggested that Canadian firms could mitigate strike-related disruptions to supply chains by reducing their reliance on just-in-time shipping and by increasing their use of warehouse infrastructure.

Transport Canada [officials](#) stated that Canada’s supply chains recovered from the 2023 strike in a period of four to six weeks, although the [brief](#) that the British Columbia Maritime Employers Association submitted to the Committee predicted that “months still” will be needed to “recuperate” from the strike-related “disruption[s]” to supply chains. The [Canadian International Freight Forwarders Association](#) estimated that the backlog of shipments disrupted by the strike existed for a period of two or three months, and the [Mining Association of British Columbia](#) asserted that “many weeks” were required to recover from the “significant” strike-related congestion in Canada’s mining supply chain.

International Reputation as a Trading Partner

Transport Canada [officials](#) said that Canadian firms are concerned that the 2023 strike affected their international reputation as reliable trading partners. The [Freight Management Association of Canada](#) contended that labour disruptions are among the issues influencing Canada’s “reputation as a reliable trading partner,” with [Canpotex Limited](#) claiming that such disruptions, as well as floods, wildfires and “poor winter rail performance,” might diminish Canada’s “strong ... reputation.”

The [Greater Vancouver Board of Trade](#) highlighted that, prior to the 2023 strike, the COVID-19 pandemic and climate events—such as wildfires and the atmospheric river in British Columbia—caused supply chain disruptions. In the Greater Vancouver Board of Trade’s view, the pandemic and these events have “fuelled inflation and caused economic stress,” giving rise to a need for Canada to “build climate resiliency into [its] supply chain.”

As well, the [Greater Vancouver Board of Trade](#) argued that the 2023 strike and “years” of supply chain “challenges” have had negative impacts on Canada’s international “image and role” as a “stable [supply chain] partner.” The [Mining Association of British Columbia](#) mentioned “damage” to Canada’s “reputation as a reliable supplier” of mining products. According to the brief that the [Canadian Cattle Association](#) submitted to the Committee, being unable to meet “export requirements” will “hurt Canada’s reputation as a safe and reliable trade partner.”

In the opinion of the [Canadian Vehicle Manufacturers’ Association](#) the 2023 strike—and other port- and rail-related strikes since 2020—have given Canada a reputation as “an unreliable jurisdiction” for transporting goods. [Global Automakers of Canada](#) referred to a “growing perception” that Canada’s transportation infrastructure, including ports, “lack[s] predictability, reliability, consistency and efficiency.”

Finally, the [Canadian Union of Public Employees Local 375](#) suggested that Canada’s international reputation depends on the treatment of employees, and drew attention to international agreements that protect employees’ rights.

Firms’ Competitiveness, Costs and Production

Concerning competitiveness, [Alberta Minister of Transportation and Economic Corridors Devin Dreeshen](#) contended that “customers around the world” are not purchasing Canadian products that were affected by shipping disruptions during the 2023 strike. In particular, Minister Dreeshen mentioned that domestic canola, canola oil, fuel, wheat and wood have a “competitive disadvantage.” According to [Canpotex Limited](#), the strike at the Port of Vancouver caused Canadian potash producers to lose market share to Russian competitors in Indonesia.

[International Longshore and Warehouse Union Canada](#) stated that, during its 2023 negotiations with the British Columbia Maritime Employers Association for a new collective agreement, shippers diverted cargo away from the Port of Vancouver. In the view of International Longshore and Warehouse Union Canada, the agreement’s signatories are jointly responsible for ensuring that shippers again use the Port of Vancouver.

In its [brief](#), the British Columbia Maritime Employers Association argued that the 2023 strike caused shippers to route cargo away from Canada’s west coast ports to U.S. ports, and asserted that this routing change is continuing to have impacts. In the [Greater Vancouver Board of Trade’s](#) opinion, during the strike, goods valued at billions of dollars “bypassed” the Port of Vancouver and were instead routed to U.S. and Mexican ports. In



its [brief](#) submitted to the Committee, Canpotex Limited emphasized that the strike increased the firm’s reliance on U.S. ports.

Regarding costs, the [Greater Vancouver Board of Trade](#) claimed that the 2023 strike increased the operating costs of firms across Canada, with the [Canadian Vehicle Manufacturers’ Association](#) contending that the diversion of automotive shipments away from the Port of Vancouver during the strike resulted in “significant costs” for vehicle producers. Likewise, the [Mining Association of British Columbia](#) stated that some of its members incurred costs relating to the diversion of shipments away from B.C. ports during the strike.

The [Canadian International Freight Forwarders Association](#) provided a specific example of increased costs, highlighting that the 2023 strike caused importers to pay ocean carriers “significant demurrage and detention” charges, which are based on the amount of time that an importer uses a shipping container. The [brief](#) that the Canadian Association of Importers & Exporters submitted to the Committee suggested that the strike increased food importers’ and exporters’ costs, including fees for storing goods or expediting their delivery.

In the [Canadian Meat Council](#)’s view, the 2023 strike at the Port of Vancouver increased food producers’ costs, with negative implications for the affordability of food. Similarly, in identifying the link between the strike and consumer prices, the [Canadian Chamber of Commerce](#) asserted that the strike caused the prices of goods to rise and contributed to inflation in Canada. The [Canadian Vehicle Manufacturers’ Association](#) argued that the strike at the Port of Vancouver increased the prices that Canadians pay for vehicles.

With respect to production, the [Greater Vancouver Board of Trade](#) contended that, during the 2023 strike, Canadian firms had difficulty planning their “operations and staffing” without knowing whether B.C. ports “would be open from one minute to the next.” Moreover, the Greater Vancouver Board of Trade mentioned that the strike limited Canadian exporters’ ability to obtain “global contracts that drive investment and employ Canadians.”

In providing sector-specific comments relating to production, Transport Canada [officials](#) stated that the 2023 strike caused some Canadian forestry firms to reduce their production, and prevented domestic automobile assemblers and other manufacturers from receiving the inputs needed to continue their operations. According to the [Canadian Vehicle Manufacturers’ Association](#), the strike at the Port of Vancouver “quickly” affected automobile production in both Canada and the United States. In the [Canadian Chamber of Commerce](#)’s opinion, the strike caused Canadian potash producers to reduce their production, and delayed shipments of replacement machinery parts to

firms, leading them to reduce or cease their operations. The [Mining Association of British Columbia](#) said that the strike’s duration caused some of its members to plan production shutdowns and temporary layoffs.

ACTUAL AND DESIRED FEDERAL ACTIONS

In speaking to the Committee, witnesses commented on the roles of the Government of Canada and Parliament in the 2023 strike and other work stoppages. They also discussed federal actions in three areas: consultation and cooperation; reviews and legislation, including Bill C-58, An Act to amend the Canada Labour Code and the Industrial Relations Board Regulations, 2012;¹ and trade-related infrastructure.

Roles of the Government of Canada and Parliament

[Minister Dreeshen](#) proposed that the Government of Canada should create a new process for addressing the “risk” of work stoppages at Canada’s ports. In contrasting the Government’s response to the 2023 strike with its response to the strike at the Port of Montreal in 2021, [Minister Dreeshen](#) argued that the former situation was “not treated with the same urgency.” According to [Minister Dreeshen](#), “a one-day port strike” in Montreal led to back-to-work legislation, but more than “a month of disruptions” at B.C. ports did not result in such legislation.

The [Canadian Chamber of Commerce](#) mentioned that the Government of Canada currently has labour dispute-related “tools,” and encouraged the Government to “show leadership” when labour negotiations fail. Moreover, in referencing the 2023 strike, the [Canadian Chamber of Commerce](#) stressed that the Government should not be “waiting on the sidelines for two weeks” before taking action. Similarly, the [Canada Meat Council](#) suggested that the Government of Canada should be willing both to “intervene much sooner” and to use the tools that are available to bring negotiating parties to the bargaining table.

The [Greater Vancouver Board of Trade](#) said that, during and after the 2023 strike, it “consistently urged” the Government of Canada to “explore additional tools” to facilitate the reaching of a collective agreement in situations where Canada’s entire economy is being affected. In the [Mining Association of British Columbia](#)’s view, the Government

1 [Bill C-58](#), An Act to amend the Canada Labour Code and the Canada Industrial Relations Board Regulations, 2012, was [introduced](#) in the House of Commons on 9 November 2023. As of 18 April 2024, Bill C-58 is at [second reading](#) in the House of Commons.



needs “more effective options” to resolve labour disputes affecting the country’s economy.

In the opinion of the [Canadian International Freight Forwarders Association](#), the Government of Canada should become involved in disputes within its jurisdiction when both negotiating parties fail to “bargain in good faith” or when negotiations are not occurring “constructive[ly].” The [Canadian Chamber of Commerce](#) stated that, during a work stoppage in the federal jurisdiction, the Minister of Labour² should “drive an outcome, bring [negotiating] parties together, force a deal, or hold [the parties] to the [bargaining] table.” Moreover, the [Canadian Chamber of Commerce](#) advocated the use of binding arbitration or “cabinet powers” to “get a deal done.”

[Barry Eidlin](#)—Associate Professor of Sociology at McGill University, who appeared as an individual—asserted that the British Columbia Maritime Employers Association has “shifted its bargaining strategy since 2010” and has “dragged its feet while waiting for government intervention to impose a settlement,” rather than engaging in “meaningful negotiations.” As well, [Barry Eidlin](#) contended that government interventions affect the collective bargaining process in a “corrosive” way because they provide employers with an incentive to “just sit and wait for governments to impose settlements, or use the threat of government intervention to get their way.”

In commenting that Canadians expected their elected officials to ensure that the 2023 strike would be ended “quickly,” the [Canada Meat Council](#) noted that the strike “dragged on for 35 days.” The [Freight Management Association of Canada](#) proposed that Parliament should “deal” with labour disruptions that affect Canadian “society more broadly.”

Finally, the [Freight Management Association of Canada](#), the [Mining Association of British Columbia](#), the [Canadian International Freight Forwarders Association](#), the [Canadian Chamber of Commerce](#) and the [Canadian Union of Public Employees Local 375](#) observed that the best collective agreements are those that are concluded at the bargaining table, with the Freight Management Association of Canada also mentioning agreements that are reached in a “reasonably speedy way.”

Consultation and Collaboration

Transport Canada [officials](#) highlighted that, before and during the 2023 strike, Transport Canada held daily virtual meetings—sometimes with more than 100 stakeholders—to

2 On 26 July 2023, the current Minister of Labour’s [title](#) became “Minister of Labour and Seniors.”

provide “operational updates from different nodes of the supply chain.” [They](#) also indicated that Transport Canada is in the process of establishing a “regularized table” to discuss issues affecting Canada’s ports.

The [Canadian International Freight Forwarders Association](#) provided a different perspective, contending that—during the 2023 strike—affected stakeholders experienced a “lack of cohesive information” within “a reasonable time frame” regarding the negotiations between the British Columbia Maritime Employers Association and International Longshore and Warehouse Union Canada.

Transport Canada [officials](#) pointed out that the 2023 federal budget provided for the establishment of the National Supply Chain Office, which will work with stakeholders to “increase the fluidity, efficiency, resilience and reliability” of Canada’s supply chains. [Global Automakers of Canada](#) claimed that this office will both identify supply chain-related issues and provide a “clear and actionable road map for improvement.”

Reviews and Legislation

Transport Canada [officials](#) noted that, in October 2023, the federal Minister of Labour initiated the review outlined in section 106 of the *Canada Labour Code*³ to “examine the structural issues underlying [the 2023 strike], as well as similar disputes at other ports in Canada in the past.” The [Greater Vancouver Board of Trade](#) and the [Canadian Chamber of Commerce](#) characterized the review as a “key opportunity.” According to the [Mining Association of British Columbia](#), this review could result in “solutions” to labour disputes that affect Canada’s economy.

With a focus on essential services, the [Freight Management Association of Canada](#) drew attention to two provisions in the *Canada Labour Code*: subsection 87.4(1), which—to the extent needed to prevent immediate and serious danger to public safety or health—requires the employer, the bargaining unit members and the members’ union to continue to supply services, operate facilities or produce goods during a work stoppage; and subsection 87.7(1), which requires grain vessels to be serviced during a work stoppage.

Moreover, the [Freight Management Association of Canada](#) suggested that, in addition to vessels transporting grain, those carrying specified goods other than grain should receive services during a strike at one of Canada’s ports. The [Canada Meat Council](#) urged the Government of Canada to consider adding perishable goods, such as red meat, to

3 In the [Canada Labour Code](#), “Minister” means “Minister of Labour.”



the *Canada Labour Code*'s provisions that require service to be maintained in certain circumstances. In its brief, the [Canadian Cattle Association](#) made a similar comment about food products, arguing that “essential and perishable food products” should not be affected by “labour disruptions and transportation blockages.”

The [Canadian Union of Public Employees Local 375](#) advocated a review of section 34 of the *Canada Labour Code* with the goal of changing the composition of “employers’ organizations” to ensure that “real decision-makers” are at the bargaining table. In the view of the [Canadian Union of Public Employees Local 375](#), such a review would help to minimize—if not eliminate—possible labour disputes.

[Minister Dreeshen](#) encouraged the Government of Canada to explore mechanisms that would prevent labour disruptions in Canada’s transportation sector, which can be costly, and particularly mentioned potential *Canada Labour Code* amendments that could enable the Government to impose binding arbitration before a work stoppage occurs.

Concerning Bill C-58, [International Longshore and Warehouse Union Canada](#) stressed that the bill’s enactment would “force” employers to the bargaining table “so they couldn't keep working and they couldn't keep earning a profit.” In [Barry Eidlin](#)’s opinion, enactment would provide employers with an incentive to resolve negotiating differences at the bargaining table.

[International Longshore and Warehouse Union Canada](#) and the [Canadian Union of Public Employees Local 375](#) opposed the provision in Bill C-58 that would provide for the bill’s coming into force 18 months after receiving Royal Assent, with the former also asserting that the bill should come into force “immediately” after enactment to “protect workers’ rights.” [Barry Eidlin](#) contended that the logic underlying the bill’s proposed 18-month period for coming into force is not clear.

In providing a different perspective about Bill C-58, the [Canadian Chamber of Commerce](#) argued that the bill’s introduction in Parliament indicates that the Government of Canada “wants to move away from preserving stability,” and is “doubling down on Canada being seen as an unreliable trading partner.”

Regarding back-to-work legislation, [Barry Eidlin](#) claimed that—within the Group of Seven countries—Canada’s governments are among both the “heaviest users” of such legislation and the “top violators of international labour rights” As well, [Barry Eidlin](#) suggested that forcing employees back to work does not resolve the problem that led to a strike.

Trade-Related Infrastructure

According to [Minister Dreeshen](#), airports and ports are “critical pieces of infrastructure,” and many Canadian firms and their employees depend on them. Moreover, [Minister Dreeshen](#) stated that the Government of Canada should “seriously” address Canada’s “critical infrastructure” challenges.

The [Canadian Vehicle Manufacturers' Association](#) proposed three Government of Canada actions regarding the National Strategy for Critical Infrastructure: add trade-related infrastructure to the federal list of critical infrastructure sectors; work with Canadian firms to identify ports of entry and trade corridors considered to be critical infrastructure, and then develop response plans to be implemented if a labour disruption like the 2023 strike occurs at such a port or corridor; and enhance the Government’s “leadership role” in coordinating stakeholders when labour disruptions affect critical infrastructure.

The [Canada West Foundation](#) mentioned that, a decade ago, the World Economic Forum's Global Competitiveness Report ranked Canada in the top 10 globally for trade-related infrastructure, but also noted that the country ranked 32nd when this survey was most recently conducted. As well, the Canada West Foundation highlighted the World Bank's Logistics Performance Index, which indicates trading partners’ perceived decline in Canada’s trade-related infrastructure over time.

In providing a specific example of trade-related infrastructure, the [Canadian International Freight Forwarders Association](#) cited the Roberts Bank Terminal 2 project at the Port of Vancouver, which—by 2030—would increase the port’s capacity by 1.6 million containers. The Canadian International Freight Forwarders Association estimated that the project will “take 20 years from concept until actually starting to operate,” which is “far too long.” Furthermore, the Canadian International Freight Forwarders Association asserted that its members cannot “wait until the container terminal is built and the containers hit the ground” to determine whether the “right” infrastructure exists.

Concerning automotive goods, [Global Automakers of Canada](#) advocated port infrastructure that is “right-sized and optimized” for the increased volume of electric vehicles being imported from Asia. [Global Automakers of Canada](#) also suggested that the Port of Vancouver’s infrastructure should include chargers for electric vehicles to facilitate the “off-loading and distribution” of these vehicles.

With a focus on “hydrogen-based equipment,” [International Longshore and Warehouse Union Canada](#) urged consideration of technologies and equipment that “support



workers and the environment at the same time.” In [International Longshore and Warehouse Union Canada](#)’s view, although there is no requirement to automate port terminals, there is a need “to keep people employed.” According to [International Longshore and Warehouse Union Canada](#), only firms gain from “doing away with workers’ jobs through automation and [artificial intelligence].” The [Canadian Union of Public Employees Local 375](#) said that longshore employees throughout the world are concerned about automation, and contended that automation “poses a risk to jobs and productivity.”

Regarding innovation, Transport Canada [officials](#) pointed out that European and U.S. ports “have demonstrated incredible amounts of innovation” and are “leveraging data quite effectively.” In focusing on regional initiatives in Canada, [they](#) drew attention to the strategic plan jointly developed by the Port of Montreal, the Port of Trois-Rivières and the Port of Quebec that is designed to make progress on such issues as logistics and innovation. The [officials](#) also indicated that Transport Canada is working with, and encouraging, port authorities to integrate new technologies into port infrastructure.

THE COMMITTEE’S THOUGHTS AND RECOMMENDATIONS

The ports in British Columbia are both important contributors to Canada’s economy and essential components of the country’s trade-related infrastructure. The Committee acknowledges that the 2023 strike affected a number of Canadian firms and employees, as well as Canada’s supply chains, and that—according to some observers—there were impacts on the country’s reputation as a reliable trading partner. Certain of these effects were occurring alongside a range of other factors influencing firms, employees and the ability to move goods efficiently, including extreme weather events, evolving geopolitical situations and the aftermath of the COVID-19 pandemic.

Regarding labour disruptions, ideally, negotiating parties are able to conclude a collective agreement at the bargaining table. However, work stoppages sometimes occur before an agreement is concluded by the parties, with or without conciliation or mediation, or imposed through binding arbitration. The Committee recognizes that governments—in Canada and elsewhere—sometimes intervene in work stoppages after considering various competing interests.

Sufficient, timely and ongoing information enables firms, employees and others to engage in better planning and decision making, including in situations where work stoppages either are occurring or are likely to do so. In the Committee’s view, information relating to a potential or actual work stoppage would better enable firms

and employees to address the negative impacts of such a stoppage on supply chains and interrupted earnings, respectively.

Finally, the adequacy and state of repair of Canada's trade-related infrastructure, as well as the degree to which it has state-of-the-art technologies and other innovations, affect the country's economic performance. The Committee notes the results of the World Economic Forum's Global Competitiveness Report and the World Bank's Logistics Performance Index concerning the country's trade-related infrastructure. Efforts should be made to improve this infrastructure as a vital contribution to Canada's growth, and to firms' and employees' prosperity.

In light of the foregoing, the Committee recommends:

Recommendation 1

That the Government of Canada ensure sufficient, timely and ongoing communication with Canadians affected by supply chain disruptions resulting from work stoppages occurring within the federal jurisdiction, including at ports.

Recommendation 2

That the Government of Canada expeditiously adopt policies and implement measures that would ensure that Canada's trade-related infrastructure, including the country's ports, is adequate and well maintained. In developing policies and measures, the Government should work with representatives of business trade associations and organized labour groups to identify the best means by which state-of-the-art technologies can be integrated into this infrastructure with due consideration given to resulting employment consequences.

Recommendation 3

That the Government of Canada continue to recognize the right of negotiating parties to engage in a work stoppage as a legitimate part of the collective bargaining process, and review relevant federal legislation with the goal of ensuring that decision makers are at the bargaining table. Such a review could include examination of section 34 of the *Canada Labour Code*.

Recommendation 4

That the Government of Canada acknowledge that significant delays in transporting goods using Canada's critical trade-related infrastructure, such as ports, have negative implications for the domestic affordability of food.



Recommendation 5

That the Government of Canada consult Canadian firms and groups representing organized labour to identify Canada's ports of entry and trade corridors that are considered to be part of the country's critical trade-related infrastructure. Following this identification, the Government should develop response plans to be implemented if a labour disruption occurs at these ports of entry or in relation to these trade corridors.

Recommendation 6

That the Government of Canada implement measures designed to enhance its leadership role in coordinating with stakeholders when responding to labour disruptions that affect critical trade-related infrastructure.

Recommendation 7

That the Government of Canada improve the performance of Canada's ports by immediately implementing measures aimed at enhancing their efficiency and reliability. Particular efforts should be directed to the Port of Vancouver, which had a global ranking of 347th out of 348 ports in the World Bank's Container Port Performance Index for 2022.

Recommendation 8

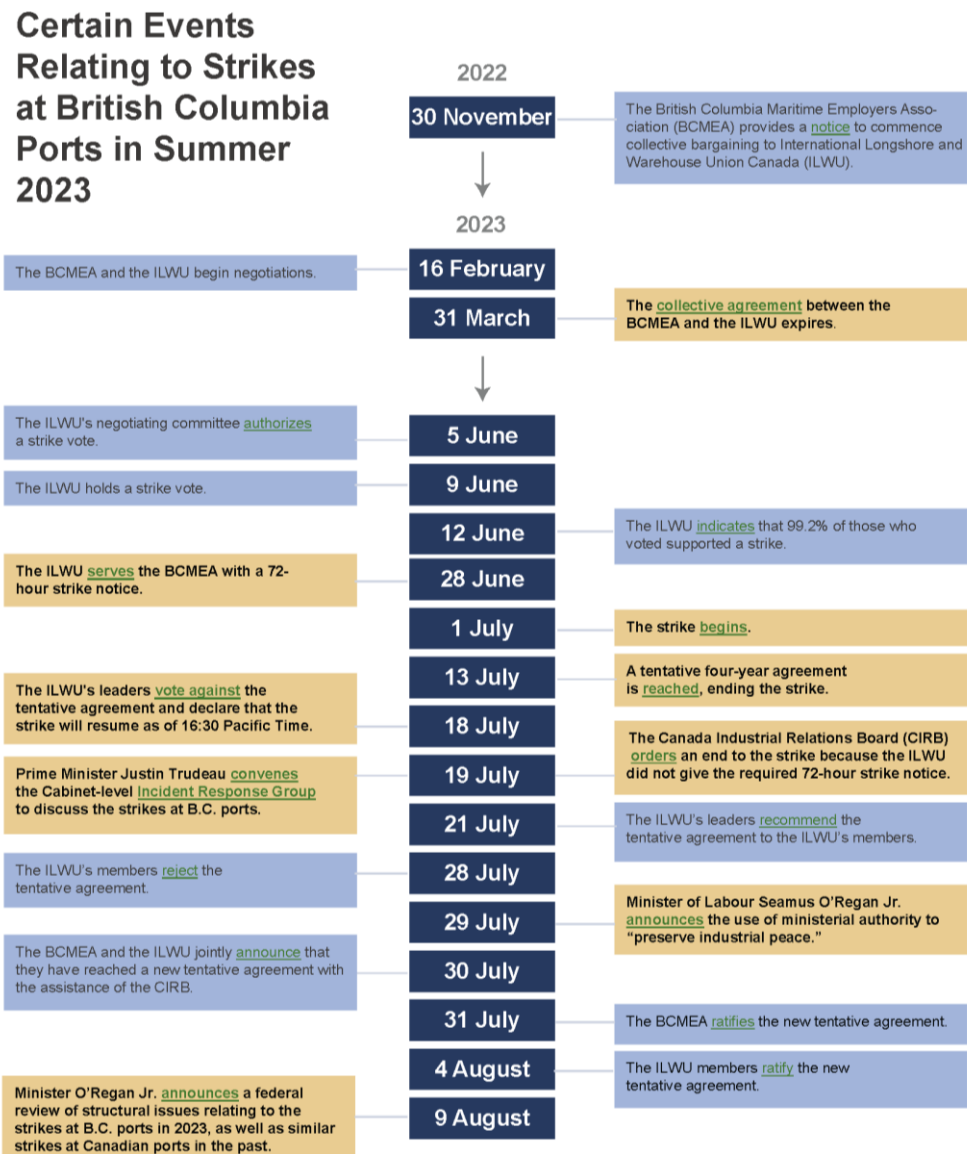
That the Government of Canada immediately implement measures designed to improve Canada's global infrastructure ranking, which—in 2008—was 10th among 134 jurisdictions regarding the quality of overall infrastructure and—in 2019—was 32nd among 141 jurisdictions concerning transportation infrastructure. As part of these efforts, the Government should allocate resources to enhance trade-related infrastructure at Canada's ports, including the Port of Vancouver.

Recommendation 9

That the Government of Canada acknowledge the immediate need to complete construction of the Roberts Bank Terminal 2 at the Port of Vancouver, which is expected to increase the Port's capacity by 1.6 million containers and thereby improve efficiency and operational capabilities. To that end, the Government should implement measures designed to shorten drastically the current estimated 20-year timeline for the terminal's completion.

APPENDIX A: CERTAIN EVENTS RELATING TO STRIKES AT BRITISH COLUMBIA PORTS IN SUMMER 2023

Figure 1—Certain Events Relating to Strikes at British Columbia Ports in Summer 2023



Information in this figure is based on the following sources:

- British Columbia Maritime Employers Association: [Notice to Commence Collective Bargaining](#).
- [Collective Agreement between British Columbia Maritime Employers Association and International; Longshore and Warehouse Union—Canada, 1 April 2018–31 March 31, 2023; Tentative Agreement reached between the BCMEA and ILWU Canada, operations to resume as soon as possible; ILWU Canada members ratify negotiated tentative agreement; the BCMEA is ready to work to restore stability to Canada’s supply chain; and Joint ILWU Canada and BCMEA News Release](#).
- Employment and Social Development Canada: [Canada Industrial Relations Board](#); [Statement by Minister O’Regan](#); and [Statement by Minister O’Regan](#).
- International Longshore and Warehouse Union Canada: [Longshore Strike Vote Results—June 12, 2023](#); [ILWU Canada Stop Work Meeting—July 25, 2023](#); [ILWU Canada Longshore Workers Vote No](#); [ILWU Canada Longshore Division—Ratification Vote Results—August 4, 2023](#); [Longshore Strike Vote Notice—June 9 & 10, 2023](#); [ILWU Canada Issues 72hr Strike Notice](#); and [The ILWU Canada Longshore Division has voted down the Recommended Terms of Settlement](#).
- Office of the Prime Minister: [Prime Minister Justin Trudeau convenes the Incident Response Group to discuss the situation in British Columbia’s ports](#).
- Reuters: [Thousands of port workers in Canada's British Columbia go on strike](#).

APPENDIX B: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Canadian Chamber of Commerce Pascal Chan, Senior Director, Transportation, Infrastructure & Construction Robin Guy, Vice-President and Deputy Leader, Government Relations	2023/11/30	85
Canpotex Limited Gordon McKenzie, President and Chief Executive Officer	2023/11/30	85
Department of Transport Christian Dea, Chief Economist and Director General, Transportation and Economic Analysis Robert Dick, Assistant Deputy Minister, Supply Chain Office Sonya Read, Director General, Marine Policy	2023/11/30	85
Greater Vancouver Board of Trade Bridgitte Anderson, President and Chief Executive Officer	2023/11/30	85
Canadian Vehicle Manufacturers' Association Brian Kingston, President and Chief Executive Officer	2023/12/05	86
Global Automakers of Canada David Adams, President	2023/12/05	86
Government of Alberta Hon. Devin Dreeshen, Minister of Transportation and Economic Corridors	2023/12/05	86
International Longshore and Warehouse Union Canada Robert Ashton, President	2023/12/05	86

Organizations and Individuals	Date	Meeting
Canadian International Freight Forwarders Association Julia Kuzeljevich, Director, Policy and Regulatory Affairs Bruce Rodgers, Executive Director	2023/12/07	87
Canadian Meat Council Lauren Martin, Senior Director, Government Relations and Policy	2023/12/07	87
Freight Management Association of Canada Robert Ballantyne, Past President and Senior Advisor	2023/12/07	87
Greater Vancouver Board of Trade Bridgitte Anderson, President and Chief Executive Officer	2023/12/07	87
Mining Association of British Columbia Tim McEwan, Senior Vice President, Corporate Affairs	2023/12/07	87
Syndicat des débardeurs, section locale 375 du Syndicat canadien de la fonction publique Michel Murray, Union Adviser, Longshoreman Union in the port of Montréal	2023/12/07	87
As an individual Barry Eidlin, Associate Professor of Sociology, McGill University	2023/12/12	88
Canada West Foundation Carlo Dade, Director, Centre for Trade and Trade Infrastructure	2023/12/12	88
Canadian Chamber of Commerce Robin Guy, Vice-President and Deputy Leader, Government Relations	2023/12/12	88

APPENDIX C: LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

British Columbia Maritime Employers Association

Canadian Association of Importers and Exporters

Canadian Cattle Association

Canadian Manufacturers and Exporters

Canpotex Limited

Mayle, David

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 85-88, 93, 100 and 101](#)) is tabled.

Respectfully submitted,

Hon. Judy A. Sgro
Chair

New Democratic Party of Canada

Dissenting Report

The New Democratic Party of Canada does not support Recommendation 9 of this report. It is the position of the New Democratic Party of Canada that construction of the Roberts Bank Terminal 2 at the Port of Vancouver will cause immediate, and irreversible damage to the environment. In particular, this development will have a negative impact on the nutritional quality of intertidal biofilm on the Fraser River Estuary. Intertidal biofilm is a thin layer of microalgae, bacteria, and other microorganisms embedded in a mucous-like layer that sits on the surface of tidal flats. Intertidal biofilm is the primary food source for many species of shorebirds during their long-distance migrations.

New Democrats are of the opinion that approval of this development as planned was based on incomplete environmental understanding of the threats to shorebirds and in particular the endangerment of the entire species of Western Sandpipers. It is the New Democrats' position that unless this development is significantly modified it will cause damage to Canada's Fraser River ecosystem that cannot be mitigated.

