

CIFFA, Canadian International Freight Forwarders Association

WRITTEN SUBMISSION

FOR NATIONAL SUPPLY CHAIN TASK FORCE

Q1: What do you see as the most critical challenges facing the overall fluidity and performance of Canada's domestic supply chain, and connections to global supply chains?

In our view, most critical is the lack of overall supply chain strategy, at a federal level, that is linked to Canada's trade needs. Also, it seems that our government departments frequently lack an understanding of how all elements of the supply chain come together and the interdependencies of each.

Challenges/issues identified with infrastructure in the supply chain are as follows:

- Need space to martial containers
- Ports capacity - need more space for growth
- Rail-carload capacity, fixed assets, shareholder requirements, reduced access/appeal where shippers may be captive
- Lack of warehouse space
- Rising real estate costs
- Lack of equipment
- Inland port capacity
- Building infrastructure in the age of global warming
- Inland distribution capacity in the "just in case" world
- Data/IS infrastructure vulnerability
- Infrastructure projects to suit today's business needs take too much time. (i.e. land procurement, environmental studies and stakeholder consultations.)
- Regulation/regulatory requirements + global competitiveness of Canada compared with other alternative markets. We need to make ourselves more attractive for investment.
- Governmental long-term planning re: building needed infrastructure in partnership with/in consultation with private industry
- Ageing infrastructure – needs to be addressed ASAP, not waiting until problems accelerate.

Q2: What are your most critical short-term (over the next year), medium-term (over the next 2-3 years) and longer-term (5 years plus) supply chain challenges? Are there any regional or sector specific challenges that you are facing?

Short-term, the challenge is to secure available yard capacity, terminal access, drayage labour, access, transparency, speed to complete the process around containers that are held for examination.

Longer term is access to capacity, i.e. port capacity (berth space to handle additional vessels).

Larger vessels are on order but do we have the berth access and equipment to accommodate them?

We need to provision more lands for yard space, streamline terminal access, reduce wait times and fees.

We also need to reduce red tape processes that delay the implementation of much-needed infrastructure projects.

We need regulatory bodies or better recourses of action to address unfair practices adding additional costs to the importer, such as excess demurrage and detention charges by carriers.

Sector specific challenges would be available labour on the drayage side, as recruitment and retention are problematic.

Q3: What actions are you contemplating or taking to respond to existing or emerging supply chain challenges or disruptions?

Freight forwarders are typically agile and adapt well in terms of finding solutions to various problems, and depending on their size, having access to different transportation contingencies.

We react and develop solutions on behalf of importers and exporters.
(Forwarders are reactive, agile to whatever changes importers are making)

Certainly, new markets, partnerships, routings, creating new capacity (chartering), spot markets vs. contracts, etc., both short term and long term, would be actions being contemplated.

Guiding Theme 2: Investment and Infrastructure

Q1: What or where do you believe are the bottlenecks/chokepoints in Canada's domestic and global supply chains?

We believe the bottlenecks and chokepoints to be occurring in the following areas:

- ports (berthing, anchoring, vessel forecasting, vessel schedule integrity, labour
- marine port to rail-railcar supply
- rail service reliability (metering, intermodal allocation, domestic vs US business)
- yard space-container retrieval-inland terminals, reservations, wait times,
- demurrage, detention
- dray labour-lower number of pulls/turns when labour supply is affected.
- container supply (empties return, allocation)
- transparency and communication to parties

Q2: How can we better leverage investments in transportation infrastructure for improved performance outcomes and supply chain resiliency – especially in light of changing climate and economic shocks? And more specifically, where are the most critical investments needed in the short to medium term?

We need a “means behind the money” via a defined national trade corridors strategy.

Climate matters are more reactive and urgent, as situations occur.

There needs to be funding that is segregated to address environmental infrastructure and longer term infrastructure needs.

We need to reduce some of the environmental hurdles, in terms of the length of time and levels of approval it takes to effect infrastructure projects.

Guiding Theme 3: Innovation and Technology

Q1: We are hearing that in many cases, new infrastructure is not the answer to improve operational efficiencies and throughput capacity. What technology and digital solutions should investments go toward to optimize existing infrastructure, increase capacity and improve system performance?

We certainly support technological and digital solutions and interoperable standards that would improve operational efficiencies and create transparency and visibility, translating into a streamlined supply chain that is protected as well from threats of cybercrime.

Whether it is through proven use cases of AI, automation, IOT, Big data, blockchain, robotics, etc. we would welcome initiatives that enable but do not create any additional impediments in terms of cost burdens.

Investments should be geared toward projects that provide consistent, meaningful information, i.e.

- Better information will lead to improved root cause analysis and decision making
- Transparency will lead to accountability and speedier solutions being implemented
- Consistency in data measurement will lead to improved forecasting and fluidity
- This should be an industry led initiative, to provide stakeholders with required information

Q2: In what ways could increased data /supply chain visibility help you to make strategic shipping/transportation decisions? We have seen attempts to improve transportation data collection and transparency, what are the barriers to making this happen (i.e., who should collect this data, how should it be shared)?

It is better to analyze the supply chain disruptors – magnifying the problem areas

- Improved visibility will lead to accountability by the responsible stakeholders
- Visibility to challenging areas will allow for informed choices being made
- Barriers – inconsistent metrics and source of truth
 - o Not all stakeholders are willing to share data
 - o Timeliness to complete the projects is key

Guiding Theme 4: Barriers

Q1: What rules-based, regulatory, or other administrative barriers are impeding your ability to achieve the transportation outcomes you require? What are the most critical areas to focus on in the short term to improve the movement of domestic, transborder and international trade?

There is no internal competition watch mechanism to dispute when competition issues arise (i.e. carriers controlling terminals, controlling what moves off dock etc)

Shareholder considerations can be a barrier, where profitability comes before supply chain fluidity.

Areas to focus on would be to balance determining what is a commercial market decision that shouldn't be interfered with, and where government has a regulatory duty?

Analysis and speed to market on infrastructure-process must be quicker

Q2: We have heard a number of stakeholders speak to labour shortages and talent retention/attraction challenges in transportation, warehousing and logistics sectors. Is your industry facing labour pressures? What approaches are you using to manage this issue? What more could be done?

This is a problem in education across several sectors of the industry-recruitment, information about available education paths, etc.

This should begin at the middle school/high school level, and ideally in partnerships between industry and educational bodies, to better inform about options and paths to enter certain industry sectors that are overlooked or that are felt to be dead end paths.

Sincerely,

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The Canadian International Freight Forwarders Association (CIFFA) represents some 260 regular member firms from the largest of global multi-national freight forwarding firms to small and medium sized Canadian companies. CIFFA member companies employ tens of thousands of highly skilled international trade and transportation specialists. As a vital component of Canada's global supply chain, member firms of the Canadian International Freight Forwarders Association (CIFFA) facilitate the movement of goods around the world. Freight forwarders provide a vital link in Canada's global supply chains, enhancing export capabilities and assisting in the delivery of competitive solutions to Canada's importing and exporting communities.