Canadian International Freight Forwarders Association

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Industrial Inquiry Commission

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CIFFA Corp. appreciates this opportunity to comment on some aspects of labour negotiations within Canada's West Coast ports; institutions which play a critical role in the daily work of our members. CIFFA represents some 14,000 employees of freight forwarder, drayage/port truckers, customs brokers, freight brokers and warehouse company members in Canada who manage about 80% of freight traffic, both domestic and international. They are the key players in Canada's freight supply chain.

CIFFA exists to support our members as they do the complex work of moving goods by air, land and sea. We do that by delivering on high education standards, advocating for the interests of those in our industries, and keeping our members informed.

We commend the (former) Minister of Labour for the decision to establish this inquiry, and Commissioners Rogers and Ready for taking on the challenge.

To be clear: CIFFA is a customer of the system. Many of our members route shipments through the West Coast ports, others participate directly in the operations of those ports. CIFFA is not an ally of either the employers or the unions. We advocate for efficiency that helps us all remain competitive, and for the reliability which allows investment and growth.

The preponderance of Canadian strikes and lockouts occur in a small number of industries – auto manufacturing, lumber and paper, mining, etc. But all these sectors are private industries. The damage - to employees and employers - is their own. Ports are critical public assets and their disruption affects a huge community of small business and consumers who are not involved in the disputed issues at all.

Canada's West Coast ports have been disrupted by labour disputes for decades.

As long ago as 1923 the International Longshoremen struck the Vancouver Port in a dispute over wages – an incident which featured the use of strike breakers and a private security force of hundreds of men to guard them.

Twelve years later the employer locked out the Longshoremen in June, 1935 and in the subsequent violent struggles – dubbed the Battle of Ballantyne Pier - police intervened to arrest the union leaders. Nonetheless the strike persisted until December of that year.

Ongoing uncertainty does no one any good. Regardless of the specifics of any one dispute, a reputation for unreliability reduces opportunity for all parties. Conversely, new investment and sustained demand benefit everyone.

In April 2024 shippers were warned that the ports might again experience a strike – this time because the Dock Foremen had declined to accept the key terms of the agreement that ended the Longshoremen's strike the year before. These serial threats are a source of great frustration and create a perception of unreliability at the West Coast ports.

It's been a long time since we had a serious review. In 1995 the Jamieson Greyell Commission provided an extensive review of the issues of the day – which resemble the issues of today. It's unfortunate that so little was enacted at that time.

1. **Impacts on CIFFA members?**

Our membership includes a wide range of participants in the supply chain and impacts vary significantly. Freight forwarders take possession of goods on behalf of exporters or importers and manage their transportation, selecting the most appropriate and cost-effective options. When there is a major disruption in one facility, they may have the ability to re-route traffic, although the cost may be much greater and delays can be expected.

However, our membership also includes businesses with a direct role in operations, such as drayage truckers and warehouse workers whose income disappears when operations are halted.

2. **Alternative resolution mechanisms**

The BC Employers have offered a brief on key issues in the administration of labour negotiations. We found the brief useful and would like to discuss several measures it reviews.

Geographic designation

An efficiency which characterizes Canada's East Coast ports is the "geographic certification" which applies to all employees in a bargaining unit. The designation pulls disparate groups into a single negotiation. Given the frustration experienced in 2024 when the foremen threatened strike action on the same issues negotiated – painfully – by the longshoremen the previous year, this may be a measure the Minister of Labour would find useful.

Binding arbitration

Binding arbitration is offered as an alternative to damaging strikes – without somehow denying either party their legitimate power in the negotiation process. We support a model which included arbitration after it became clear the parties were not close to settlement would elevate the rights of the third party; the customers and citizens relying on goods or services which are now imperiled.

Designed correctly such a system can be both fair to each side and substantially more efficient than a protracted strike.

Essential service designation

It does appear that a designation of "essential service" would be inappropriate in the case of port facilities. The supply chain is just that – a chain. In order to maintain services all the players in the chain would have to be designated essential, which would effectively remove the right to strike for a wide range of participants.

Although ports are economically critical, it is hard to argue that their services are essential to respond to immediate threats to public safety or health.
For these reasons CIFFA does not advocate for an essential services designation for port workers.

3. **Other issues**

Too many players in each negotiation?

CIFFA remains baffled as to why ports as different economically and geographically distant as those on the West Coast should negotiate together.

In the East ports such as Saint John and Halifax (just 420 kilometers apart) are independent of each other, as are Montreal and Hamilton (only 600 kilometers apart.) Yet Vancouver negotiates with Prince Rupert, the two facilities nearly a thousand kilometers apart.

In addition to distance, the communities are sharply different in the economics which drive labour negotiations. Vancouver is the 26th most expensive city in the world in which to live.

The average salary (merging skilled and unskilled workers) in Vancouver is $70,000. The average salary in Prince Rupert is $59,000. The job opportunities available in Vancouver are plentiful, those in Prince Rupert much more restricted.

It's no wonder that agreements which are acceptable to the smaller ports are repeatedly blocked by the Vancouver bargaining unit and we see no likelihood that this will change in the future. Would the segregation of negotiating units weaken labour's leverage? Perhaps not very much, given the different cargo profiles and physical distances involved.

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Planning for Automation

An issue which has nothing to do with the processes of labour negotiation is likely to be the most intractable item of dispute in the coming years: automation. We urge the Commission to address the issue, and to advocate for policies which mitigate the stress it will cause among workers.

More than 50 terminals around the world have some degree of automation, often automated cranes.

Workers, having seen what automation has done to employment in industries such as lumber mills and auto manufacturing, are understandably aggressive in wanting to block adaptation in Canada's ports. But Canada is, nationally, sliding drastically in measures of competitiveness. And both the Port of Vancouver and Port of Prince Rupert were identified by the World Bank in 2023 as the world's least efficient (352 and 401 of 405 respectively).

CIFFA is not an "automation booster." We seek the most efficient facility possible; we are neutral as to how this is created. There are operational arguments for human management and against wholesale automation. But as we note the trend across the world, we cannot ignore it. Canada is a trading nation, signatory to 15 Free Trade agreements, including with the United States, Europe and the ASEAN. As our trading partners/competitors automate, we will be under pressure to do the same.

This will be a serious item of dispute – perhaps the most important item – in the coming years. It featured heavily in the ILWU's public statements last summer, when the union noted that more than 500 jobs had been replaced in the California ports of Long Beach and Las Angeles.

The government of Canada, recognizing both the trend and the pressure for competitiveness, should undertake to develop policies and programs to alleviate some of the stress this issue represents for port workers.

With thanks,

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