



INTERNATIONAL LONGSHORE & WAREHOUSE UNION CANADA

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Honourable Minister Marc Garneau

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By Email: tc.portsreview-examendesports.tc@tc.gc.ca

Re: Ports Modernization Review

Submission by International Longshore and Warehouse Union – Canada (ILWU Canada)

Minister Garneau, you have asked for feedback regarding possible changes to the structure, function and governance of Canadian Port Authorities.

ILWU Canada has played a leading role in the operation of Canada's ports on the west coast for over 100 years. We have an intimate understanding of the needs and function of the west coast and an in-depth knowledge of the issues and demands that challenge our industry. West coast ports support our members and their families by providing family-supporting jobs. The income from these jobs supports not only the local community but the province of British Columbia and the entire country. Our members ensure the Canadian economy functions smoothly through their hard work and sacrifice. We keep trade flowing 24 hours a day in dangerous and demanding conditions.

Our ports link Canada to the rest of the world, allowing our exports to reach distant shores and supply us most of the products we use every day. ILWU Canada not only represents the stevedores at the terminals but all the clerical and administrative staff at the Vancouver Fraser Port Authority, foremen, pilots, grain workers in the terminals and marine workers in the tug boat industry.

We are please to respond to the questions posed in this review. To begin, we would like to preface our answers with these general comments.

1) Purpose

ILWU Canada has provided the west coast terminals with a trained and flexible workforce for over a hundred years. Through the use of the hiring hall, terminals need not staff for the maximum levels required but are able to hire fully trained workers on an on-demand basis. This has allowed the terminals cost efficiencies not possible under a regular labour structure. We connect the terminal operators to the community and give them the social licence to operate in Canada.

2) Safety

Through constantly improving training, the ILWU minimizes injuries and disability. Each terminal has a site safety committee staffed by ILWU Canada members and there is also a joint safety committee made up of both union and employer representatives that address industry wide issues. ILWU Canada has been an active participant on the Canadian Maritime Advisory Counsel (CMAC) and constantly strives to improve health and workplace safety in all aspects of port operations. We work to ensure employers are meeting their obligations under the Canada Labour Code.

3) Efficiency and Productivity.

Our highly trained membership has continued to increase the productivity and efficiency of the west coast ports over the years. Every year moving greater volumes of cargo, ensuring products reach consumers quickly and efficiently. Canadian ports are the envy of the west coast, having dwell-time performance near the top of the industry and faster transit times to east coast cities than most US ports.

4) Technology

Over the years, ILWU Canada members have adapted to waves of technological change. We have negotiated with the terminal operators to allow the introduction of technology in our workplaces, while ensuring negative consequences for our members and for British Columbia as a whole are kept to a minimum. The new wave of automation and digitization that is sweeping through marine operations around the world cannot be imposed in Canada without the active consent and negotiated agreement of ILWU Canada and its members. To do otherwise would be to invite seriously negative economic consequences for the BC economy, especially the communities which rely on port operations, and future generations of Canadians who need the quality middle class jobs available to our generation.

5) Collective Bargaining

Through our coastwide contract we maintain cost certainty and stable labour pools for terminal operators. There has not been a work stoppage at west coast Ports for over 20 years. We are nearing the end of an unprecedented 8-year contract that has provided terminal operators with the stability and certainty they need to grow their businesses. The ILWU and the British Columbia Maritime Employers Association are currently bargaining a new collective agreement and are working hard to achieve a fair and equitable new contract.

IN RESPONSE TO THE SPECIFIC ISSUES RAISED**1) Governance**

- a) Board Composition:** The current government is to be commended for reforming the process of making appointments to the governance bodies of a variety of agencies and crown corporations under its purview. These reforms have generally been made to ensure the best and the brightest available candidates are appointed, and to reduce undue political influence in making appointments. These kinds of reforms should be brought to the process of appointing members of the governing bodies of Canada's ports. It is our view that the bodies that govern Canada's ports should be structured to ensure a place at the table for labour, consistent with many ports along the west coast of the United States and several major European ports. The absence of labour participation leaves port governing bodies with a significant blind spot. ILWU Canada has in-depth knowledge of both operational and administrative functions within the port and has good links with the communities in which port functions are present which would help to increase the social licence terminal operators need to function effectively. We also believe spaces on port authority boards should be reserved for a representative of the geographic communities in which ports operate and a representative of Aboriginal people upon whose traditional lands' ports are often located.

b) Port Land Use Plan: Recently the Port of Metro Vancouver has aggressively pursued an industrial land acquisition program. There are currently no regulations concerning these purchases nor any consultation with stakeholders when purchases are made. Port authorities need to be transparent in these kind of matters with all stakeholders including the communities in which they operate, and the labour organizations involved in other port related operations.

2) Health and Safety

Just this year Brother Everett Cummings, an ILWU member and port worker in British Columbia, was killed on the job. During a shift at Fraser Surrey Dock he was tasked with the repair of a heavy lift truck. The cab of the machine needed to be lifted to affect the repair. As Mr. Cummings worked on the machine, the mechanism that held the cab in place failed and came down on Mr. Cummings, asphyxiating him. He left behind a wife and three small children. This accident could have been prevented if the machine he was working on was kept in proper repair and if a safe work procedure was in place.

Far too often, terminal operators take shortcuts and fail to fulfill their obligations under Part II of the Canada Labour Code. Delays in both the issuance of Assurance Voluntary Compliance (AVC), as well as the completion of corrective actions specified in an AVC are far too common. Beyond issues with AVCs, which may be used to correct minor infractions but not in situations that constitute a danger, unions have also expressed concern with the approach of terminal operators to situations that do present a significant danger to the safety, or even the lives, of workers.

As the Canadian Labour Congress (CLC) recommends the Government of Canada should increase efforts and resources dedicated to the enforcement of workplace health and safety in marine ports. Terminal operators must be held to the highest standard, with zero tolerance for delays or a lack of follow-up with assurances of voluntary compliance (AVCs) and other measures or programs related to the health and safety of workers.

Generally speaking, AVC orders are ineffective in getting terminal operators that are under port authority control to change operational and maintenance procedures to improve safety. Changes to the labour code to allow for administrative penalties is a positive change but these penalties need to be increased significantly to deter companies from resisting change. Currently employers drag their feet to implement required safety procedures and put workers lives at risk. This is unacceptable. The safety of workers should be the highest priority for employers and all government departments involved.

ILWU Canada concurs with the CLC's concern with the current definition of danger under Part II of the Canada Labour Code.

3) Privatization

ILWU Canada is encouraged by recent statements by the Minister that further privatization of Canadian port infrastructure is currently not being considered. Changing the current capital structure of Canadian ports would do nothing to increase investments. Canadians would most likely suffer decreased tax revenues as private corporations and investment funds take profits offshore instead of investing in infrastructure improvement.

The lack of profit motivation allows Canadian port authorities to put the interests of Canadians ahead of profits. Once assets are sold off they are very difficult to re-nationalize. Current terminal operators on the west coast are making significant private investment in infrastructure without the need for external input.

4) Lease Agreements with Terminal Operators

There is currently a disconnect with the port authorities whose mandate is to promote trade for the benefit of Canadians and the terminal operators that facilitate the movement of cargo, labour and the community.

These agreements between the port authorities and terminal operators must consider the positive and negative effects on communities. Adoption of new technologies must be the subject of negotiation with the workers or their unions to ensure the economic benefits from these agreements stay in local communities. Significant reduction in worked hours could have significantly negative effects on local economies. Communities will not accept increases in noise and traffic without the benefit of jobs and economic development.

We recommend that all current and future lease agreements with terminals have within them community benefit agreements and limitations on full automation to protect Canadian jobs.

REVIEW STREAM 1: INNOVATION AND TRADE LOGISTICS:

Q1. What trends do you think will affect the future of port operations and supply chains?

Technological Change

Port authorities should not promote the unilateral introduction of technological change in terminal operations or other port workplaces. Nor should the government authorize or provide port authorities public funds to invest in job killing new technologies directly or through agencies such as the Infrastructure Bank. To do so would be to use tax dollars to eliminate good paying middle class jobs. Port authorities should be mandated to discourage the displacement of workers and jobs by new technologies and to encourage re-training so workers can acquire the skills needed to fill new jobs in the ports of tomorrow. Port authorities should require the introduction of new technologies including automation be subject to negotiation and agreement between terminal operators and workers.

a) Automation

Automation and new technologies are disrupting multiple sectors, displacing workers and introducing destructive forces that are harmful to our society and way of life. One need only consider the negative consequences of Facebook on our democracy and media to understand their potential for harm.

This is a force that is coming to the entire logistics supply chain, including Canada's ports.

The introduction of automated guided vehicles and automated stacking cranes have the ability to greatly reduce the number of port workers needed in the future. Fully automated ports have been built in other countries around the world, even where labour costs are low such as China.

Companies are developing autonomous ships. Seafarers are already one of the most marginalized workers in the world. One company hopes to have an autonomous ship ready by 2020.

Warehousing has already seen a significant increase in automation as companies try to increase profits while trying to increase efficiency and speed as consumers demand ever shorter delivery times and product customization.

Without proper regulation to ensure new technologies advance the interests of society as a whole, automation of the supply chain could have serious negative impacts particularly on workers and society.

b) Digitization

Machine learning will cause many white-collar jobs to be lost as well. The medical, legal and accounting fields are all in danger of losing jobs to digitization. Computers powered by machine learning algorithms are allowing many tasks to be automated. Articles and sports scores are being written by these new algorithms. In the ports, optical character recognition could eliminate jobs for checkers that input and update containers in the ports. Terminal operating systems are advancing to the point where they are replacing ship, yard and rail planning jobs.

c) Short Sea Shipping.

The government should promote the use of and investment in short sea shipping trials. Short sea shipping is an environmentally sound alternative to road transport. A single barge could take as many as two hundred trucks off the road. As ports expand, the current road and rail infrastructure will have trouble keeping up and other alternatives need to be found.

The government needs to ensure that the transition to new technologies is done through negotiation with workers and the Unions that represent them. It is important to retrain workers, so they can transition to the new jobs created in the ports of tomorrow.

What roles should port authorities play?

Canada's ports should play a constructive role to ensure the benefits of new technologies do not give way to harmful side effects such as the loss of good middle class jobs and the tax revenues that come with them, as well as the negative consequences on local communities of widespread disruption.

Training needs to be provided for workers to transition to new types of work and to maintain and repair the new automated equipment.

Canadian port authorities should be mandated to protect middle class jobs going forward.

What needs to be in place for Canadian port authorities to turn these challenges into opportunities?

Port authorities have traditionally functioned as landlords collecting rents from and negotiating leases with terminal operators. They allow for and promote the free flow of trade. Excess revenues are invested back into projects that support the terminals including improved roads, rail access to the ports and minimized public inconvenience and conflict.

The port authority's role is to responsibly facilitate Canada's trade through the port. By working together with port terminals and tenants they can ensure the efficient and reliable movement of goods and passengers, integrating environmental, social and economic sustainability initiatives into all areas of port operations.

The two west coast port authorities currently carry out their duties in a successful manner and often have budget surpluses which they reinvest in port related infrastructure to improve goods and passenger movement.

REVIEW STREAM 2: PARTNERING WITH INDIGENOUS PEOPLES**Q4: How can Canadian port authorities ensure their activities acknowledge Indigenous perspectives and values.**

It is important for port authorities to consult with Indigenous people who's unceded territories they operate on. Consultation and acknowledgement are keys to reconciliation with respect for Indigenous culture and territorial claim.

Q5. How can Canada and Canadian port authorities best identify opportunities to develop mutually beneficial partnerships with Indigenous groups

It is important for port authorities to work with other stakeholders including terminal operators, shipping companies and labour unions to insure Indigenous groups benefit from opportunities in and around port lands. Indigenous group should be consulted when new opportunities become available and should be given every opportunity to participate. Employment and business development in partnership with the port authority and labour is vital, and ILWU Canada is working hard to build strong relationships with several Indigenous groups across the province of British Columbia.

Q6. What current practices at Canadian port authorities reflect to government's commitment to reconciliation with Indigenous peoples and what additional steps can be taken?

Both the Vancouver Fraser Port Authority and Prince Rupert Port Authority have made very good strides in the past few years toward reconciliation, although more still needs to be done. There still needs to be an ability for Indigenous groups to participate in port governance and decision making. There are still inadequacies in the consultation process regarding early consultations with Indigenous groups on new port developments and inclusion in decision making would be a good step moving forward. Indigenous representation on port authority boards would be a good first step in moving forward.

REVIEW STREAM 3: SUSTAINABILITY AND PORT COMMUNITY**Q7. How can ports ensure their operations and future development remain environmentally sustainable and adapted to climate risks?****Make POs accountable for setting and meeting environmental targets.**

There needs to be a clear role for port authorities to address climate change. Goals and mandates need to be established for not only the port authority itself but the terminal operators and shipping companies. It must be decided whether the port authority or a department of the federal government will monitor the adherence of the various entities to new environmental regulations including targets to reduce green house gas (GHG) emissions. It is important that reducing emissions not be used as a pretext for reducing staffing at the ports. Zero emissions equipment need not be automated. Jobs do not need to be sacrificed to save the environment.

Q8. How can Canada Port Authorities contribute to building healthier communities?

Port authorities can contribute to healthier communities by pushing terminals to set measurable goals in terms of noise, pollution and GHG emissions.

Q9. What mechanisms could be put in place to increase Canadian port authority transparency relating to their environmental performance?

The port authorities along with the terminals they are responsible for should have to report annually on how they have done in meeting their targets in terms of noise, light, pollution and GHG emissions. These reports should be made public. Once goals are set they should be independently verified by a third-party environmental firm or organization with expertise in these areas.

REVIEW STREAM 4: PORT SAFETY AND SECURITY.**Q10. What are the current and emerging safety and security challenges facing Canadian ports?**

The Canadian Maritime Workers Council, of which ILWU Canada is a member, is currently challenging the constitutionality of Transport Canada's interpretation of the Marine Security Clearance program, a draconian regime that infringes on the constitutional rights and freedoms of port workers.

Canadian workers are having their security clearances denied or revoked based purely on circumstantial evidence and allegation based on associations with other individuals. This "guilty by association" is a fundamental breach of these workers rights under the charter and a violation of their human rights. Canadian workers should not be denied the ability to work when they have never been charged with a criminal offence. These practices need to end immediately.

Safety has always been a challenge in Canadian ports. ILWU Canada has been striving for many decades to improve safety for its members. Terminal operators need to be held to the highest standards in a dangerous industry. Transport Canada and the Labour Department need to work with labour and the port authorities to ensure safety is the highest priority for terminal operators.

Q11. What new actions and public-private collaborative efforts could be pursued to enhance safety and security at Canada's ports?

Security in Canadian ports is already very stringent. Further security measures would only slow the movement of cargo or further restrict the ability of Canadian workers to work in their chosen field. Terminal operators need to meet their obligations under the Canada Labour Code in relation to safety. A lack of emphasis on safety is putting Canadian workers at risk.

REVIEW STREAM 5: PORT GOVERNANCE:**Q12. Does the current governance model enable Canadian port authorities to effectively manage their assets, support economic development and deliver their regulatory duties?**

There needs to be greater oversight of port authorities by the federal government. The current arrangement gives too much freedom for port authorities to make policies that may or may not be beneficial to key stakeholders. Labour should have a seat at the table. Without a voice, workers are marginalized leaving their efforts and experience untapped. Canadian workers have built and staffed the port and are key to its success now and in the future. On the west coast, it is essential that a representative of ILWU Canada be on the both the Vancouver Fraser Port Authority and Prince Rupert Port Authority boards.

Q13. What models or approaches could be pursued to ensure Canadian port authorities are more responsive to user and local perspectives?

For port authorities to be more responsive to port users, stakeholders and local perspectives their boards need to better reflect the composition of their communities. Give local stakeholders a meaningful role in the development of PO's land use plans.

Q14. Do Canadian port authorities have the tools and partnerships they need to respond to an evolving maritime sector?

Canadian port authorities need to make sure partnerships are created and maintained with all the key stakeholders this includes labour and Indigenous groups. Inclusion, consultation and communication with these key stakeholders is essential to future success in an evolving maritime sector. The 6000 longshore workers on the west coast and the many thousand of other on the east coast and other communities currently have no representation on the port authority boards. Labour is a major contributor to the ultimate success of Canadian ports and we have an intimate knowledge of their functioning.

SUMMARY OF RECOMMENDATIONS

1. In consultation with unions and labour groups, review, consider and identify best practices from a range of past and existing models for environmental, economic and workplace transitions.
2. Create and implement a worker-centered strategy or task force that ensures workers play a central role in workplace transitions or re-organizations brought about by technological change or climate change adaptation.
3. Increase investments in training, education and apprenticeships for workers in Canada's marine ports.
4. Commit to providing current employees with the first opportunity to receive paid training for the operation and maintenance of new technologies and equipment in their workplace.
5. Government investments and subsidies in ports (eg. subsidies for environmental upgrades), must include provisions that mandate training opportunities for current workers and the hiring of apprentices.
6. The government of Canada should increase efforts and resources dedicated to the enforcement of workplace health and safety. Terminal operators must be held to the highest standard, with zero tolerance for delays or a lack of follow-up with AVCs and other measures or programs related to the health and safety of workers. Monetary penalties need to be sufficient to deter employers from neglecting safety and worker health.
7. The Minister of Transport should meet with and consult affected port employees and their unions (ILWU, ILA and CUPE) which are represented by the Canadian Maritime Workers Council, in order to explore ways to ensure that security considerations do not violate constitutional rights and lead to situations where individuals' employment circumstances are placed at risk because of associational and other charter-protected activities.
8. Update the definition of the Port Authority Board's composition in the *Canada Transportation Act* to include labour representation.
9. Update the definition of the Port Authority Board's composition in the *Canada Transportation Act* to include Indigenous representation.
10. Update the definition of the Port Authority Board's composition in the *Canada Transportation Act* to include community representation.
11. Ensure the negotiation of community benefits agreements prior to the building of new ports or to the integration of new technologies that may lead to substantial job loss and negatively affect community revenues.
12. Environmental subsidies provided to Canada's ports should be linked to worker programs that prioritize job retention and workplace training.
13. Prohibit POs from expending public money to promote or implement technological changes that result in the loss of good middle class jobs.

We would like to thank you for undertaking the review of Canada port authorities. The voices of Canadian workers are important. We have built Canada through our sweat and our toil. Our contributions should be honoured and appreciated. ILWU Canada would be willing to participate in all future consultations regarding the changes to Canadian Port Authority Structure and Governance.

In Solidarity



Bob Dhaliwal
Secretary Treasurer