

Ports Modernization Review Submission by UNITE HERE Local 40 December 3, 2018

UNITE HERE Local 40 welcomes the opportunity to participate in the Government of Canada's Ports Modernization Review with this submission. UNITE HERE Local 40 represents thousands of hospitality workers across British Columbia and is part of UNITE HERE International Union with over 270,000 members across Canada and the United States in the hotel, food service, resource and transportation industries.

Canadian ports play a vital role in our communities and the greater economy. They drive economic prosperity by facilitating international trade, handling much of the commercial cargo moving through Canada, and support tourism through its cruise terminals. Our hospitality members serve countless numbers of visitors every year who arrive from cruise ships stopping at ports in Vancouver, Nanaimo and Prince Rupert to explore our province. Canada's ports provide good, middle-class jobs, directly and indirectly, that support communities across the country.

The Minister of Transport is embarking on a strategic plan for Canada's Port Authorities to support trade and economic growth, a cleaner environment and the well-being of the middle class. In order to meet those objectives, the Government of Canada must grapple with how ports adapt to future technological change and should strive to improve engagement with port workers and strengthen accountability to local communities.

New Technology & Automation

New technology is coming to Canada's ports and brings it with opportunities and risks. It can increase competitiveness and streamline operations, but it can also negatively impact middle-class jobs and increase cyber risks. UNITE HERE agrees with the Canadian Labour Congress' (CLC) submission which calls for ports to adopt a worker-centered strategy for integrating innovative new technologies.¹ This could open up new opportunities for workers, such as training opportunities, and lead to improvements in the work environment as well as provide workers a voice in decision-making at Canada's ports.

A worker-centered strategy is especially critical for addressing concerns brought forward by unions regarding fully automated ports that could eliminate hundreds of middle-class jobs. This prospect would be devastating not only for direct employees but would have impacts beyond the immediate workforce, including workers' families and their communities.

Any moves to adopt greater automation at ports should be done with meaningful consultation with affected unions and the broader community. That is why a worker-centered strategy is key. Perfunctory consultation with workers and their unions will not suffice. Port authorities

should work in partnership with unions to create ports of the future that will deliver economic prosperity across Canada.

One more challenge with rising automation is the risk of cyber-attacks. Ports are embracing digital technology but may lack a coordinated approach to security across the nation's port authorities and the companies that do business with them. Last year, the giant container shipping company A.P. Moller Maersk faced a damaging cyberattack that briefly crippled the company and cost them upwards of \$300 million in lost revenue.ⁱⁱ Over a two-month period this year, the Port of San Diego, Port of Barcelona and the Port of Long Beach were hit with cyber-attacks. The maritime industry is highly vulnerable to cyber-attacks and does not appear to have fully reckoned with how to mitigate these risks.

Port Governance

Canada is unique in that its port authorities are structured as federal non-share corporations owned by the government. While they must submit annual reports and annually provide five-year business plans to Transport Canada, port authorities are designed to be largely self-sufficient and self-governing, much like Canada's airport authorities. They operate at arm's length from the federal government, yet, it is their arm's-length structure that creates weaknesses in port governance and community engagement.

One of the limitations of the arms-length nature of port authorities is their remove from more deliberative public bodies. Port authorities have received criticism from workers and communities over their failures to adequately consult and coordinate with local stakeholders. Ports are not ultimately accountable to the public nor to local and regional elected officials in any practical sense, so when ports make decisions that disregard community priorities, tensions can escalate. For example, the Port of Vancouver has battled with the City of Richmond over a number of issues, including its efforts to take farmland out of the Agricultural Land Reserve (ALR) for industrial development. In 2016, the head of the Port remarked about its power to override the provincial law that created the ALR, "As a federal body here at Port Metro Vancouver, we have supremacy."ⁱⁱⁱ

The Government of Canada should take steps to better align the interests of port authorities with local communities by encouraging greater accountability on the part of ports. The following recommendations would offer local communities and workers a greater voice in decisions made by port authorities:

- 1) **Adopt an open-meetings policy:** Port Authorities should open regular board meetings to the public and provide for more opportunities for the public to address port boards. In addition, agendas and minutes of regular board meetings should be broadly accessible. This is not unusual. Port authorities across the United States commonly have open-meeting policies that allow the public an opportunity to address port boards. An open meetings policy would create additional transparency over how boards make decisions and better enable ports to hear from the broader communities they serve.

- 2) **Improve board representation:** Board member appointees should include a broader array of local and regional stakeholders. For example, the Port of Vancouver has only one provincial appointee and one representative for 16 local municipalities; the rest are appointed by the federal government on the recommendation of port users and one representative for the provinces of Alberta, Saskatchewan and Manitoba. This appears to give short shrift to local community stakeholders. While shipping companies surely have representation, there is no representative for labour. We support the recommendation made by the ILWU as well as the CLC to add a labour representative to port boards. However, we also urge the government to go farther in revisiting a governance structure that has not been accountable enough to local municipal and provincial bodies, indigenous groups, and other key stakeholders.

- 3) **Require closer coordination with municipal, regional and/or provincial bodies regarding local land-use decisions and environmental reviews:** Port authorities are largely responsible for overseeing their own development processes and for undertaking environmental reviews. We urge the government to consider requiring ports to obtain greater input, and consent, from local, regional and provincial governments over land-use issues. This would compel port authorities to coordinate more closely with affected communities and could lead to better cooperation between ports and municipalities, in particular. This could also apply to environmental reviews. In 2016, the Port of Vancouver came under intense criticism when it failed to account for climate change in its review of an application by Fraser Surrey Docks to build a coal transfer facility. Concerns raised by local health authorities and local mayors who objected to the Port's approval of their environmental-impact assessment were overridden.

UNITE HERE Local 40 urges the government to consider these recommendations to create a more accountable and responsive port system that better aligns the prosperity of Canada's ports with the goals of creating middle-class jobs and meaningful engagement with our communities.

ⁱ Submission by the Canadian Labour Congress to the Port Modernization Review, October 26, 2018.

ⁱⁱ Novet, Jordan. "Shipping company Maersk says June cyberattack could cost it up to \$300 million, CNBC, August 16, 2017.

ⁱⁱⁱ Spencer, Kent. "Richmond mayor sees 'war' with federal port authorities over agricultural land," The Province, January 14, 2016.