

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

**By: British Columbia Maritime Employers
Association**

August 7, 2020



Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6
Canada

Re: Pre-Budget Consultations in Advance of the Upcoming Federal Budget

Dear Members of the Standing Committee on Finance,

On behalf of our Board of Directors and members of the British Columbia Maritime Employers Association (BCMEA), we respectfully submit an update on B.C. Waterfront operations and our recommendations to the Standing Committee on Finance for your consideration ahead of the development of the upcoming Federal Budget.

We would like to take this opportunity to extend our profound thanks to the Government of Canada and all Members of the House of Commons, for your leadership and collective efforts during the COVID-19 pandemic.

If you have any questions, or would like to discuss further, please don't hesitate to contact me directly at 604.688.1155 or mleonard@bcmea.com.

We look forward to our continued collaboration with your government and key partners, to ensure Canada's Waterfront continues to lead Canada's fight against COVID-19.

Sincerely,



Mike Leonard
President and CEO

British Columbia Maritime Employers Association

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Key Recommendations

Recommendation 1: The Government of Canada should enthusiastically support policies that boost port competitiveness and ensures Canada's Waterfront remains competitive during Canada's economic and social recovery from COVID-19.

Recommendation 3: The Government of Canada support requests for direct economic relief to marine terminal operators and supply chain partners from Federal Port Authorities based on COVID-19 related cost increases and business declines – including, direct rent relief (not deferral) and direct access to federal government support programs as they develop.

Recommendation 2: The Government of Canada should not introduce any new taxation and/or policy measures that would add further costs and burden employers already grappling with the challenges presented by COVID-19.

Recommendation 4: The Government of Canada should prioritize gateway transportation related infrastructure investments that support port competitiveness, supply chain efficiency, and sustainable growth in trade and family supporting jobs.

Recommendation 5: Through the federal Port Modernization Review, the Government of Canada should move quickly to introduce policies and a modern and transparent port governance framework that allows Canadian ports to grow and continue to be economic engines for communities across Canada.



Introduction

The British Columbia Maritime Employer's Association (BCMEA) is a member driven organization representing 53 waterfront employers and, by extension, the more than seven thousand women and men who work with our members on B.C.'s Waterfront. Operating 24 hours a day, 365 days a year, our members are marine carriers, ship agents, stevedores and marine terminal operators, working out of ports from Victoria to the Alaska border.

BCMEA provides a broad range of services to a diverse group of member customers. At its core, the organization is a service provider of labour relations to the waterfront employers of B.C., representing employers on regulatory matters in the areas of health and safety, skills training and productivity, labour relations, pensions, legislative reform, Canada Labour Code and human rights and employment equity.

BCMEA member companies are a vital part of the Canadian economy and provide good paying, family supporting jobs up and down B.C.'s coast. In 2019, longshore employees employed by our members in B.C., earned over \$900 million in wages and benefits, with an average longshore union member earning approximately \$120,000, and an average Foreman earning about \$214,000 per year.

A great example of the positive social and economic impact our Industry has had on coastal communities is the Port of Prince Rupert. As recently as 15 years ago, it was classified as an economically depressed port. Today, when we factor in private sector expansion plans facilitated by supportive government policies, it is become one of the fastest growing ports in North America.

State of the Waterfront

We all know our global and national economies are facing increased turbulence and uncertainty. Fortunately, our sector has weathered the early impacts of the pandemic relatively well and has demonstrated its operational resilience. We believe this success can be directly attributed to the hard-working men and women of B.C.'s Waterfront, and to the collaborative approach we have experienced with our partners at the International Longshore Warehouse Union (ILWU).

However, while cargo operations at B.C. ports have remained fluid, the Waterfront sector is not immune to the external factors impacting Canada's trade. With the significant national supply chain disruptions experienced in February, coupled with a weakening economy and the advent of COVID-19, we are currently experiencing a decline in vessel calls of about 17% and a 14% decline in total hours worked year over year, year to date.

As you know, there have been particularly acute impacts with the cruise sector, with the 2020 B.C. - Alaska cruise season being cancelled altogether. The absence of cruise operations, along with declines in the forestry and intermodal sectors, have unfortunately translated into fewer shifts and fewer wages for the women and men working on B.C.'s Waterfront.



Waterfront's Response to COVID-19

Since the threat of COVID-19 arrived at B.C. ports in January, we have worked with our labour partners to prioritize the health and safety of workers, while ensuring that essential cargo continues to move safely at our ports.

BCMEA, our members and our partners, have innovated and adapted quickly to the dynamic challenges presented by COVID-19. As a designated essential service, we worked to implement extensive [COVID-19 prevention and response protocols](#), including the implementation of a remote dispatch system to limit gatherings at dispatch halls, more frequent and thorough cleaning of workplaces and equipment, and significant investments at terminal facilities and in equipment to increase physical distancing. Further innovation, adaptations and the introduction of new technology will be critical to ensuring the Waterfront remains safe and competitive moving forward.

We have also secured locally sourced hand sanitizer from local suppliers like Parallel 49 Brewing, as well as hard hat face shields and both regulatory and cloth masks. A prime example of that is our work with Oceaner, a Burnaby based manufacturer, who was commissioned by BCMEA to produce 30,000 reusable cloth masks so each Waterfront worker has a set for their added protection.

By in large due to these protocols and indeed some luck, B.C.'s Waterfront has remained COVID-19 free to date. However, it's not been without its challenges.

Port Competitiveness

The necessary adaptations undertaken by BCMEA and our members to safely maintain essential operations to support Canada's response to COVID-19 are resulting in hundreds of thousands of dollars in new monthly ongoing COVID-19 costs for terminal operators.

This presents a double hit for terminal operators who are facing millions in non-budgeted expenses for cleaning and additional PPE, while seeing declines in cargo volumes and revenues. Canada's marine terminals are also increasingly under pressure from competitors based in the U.S., where aggressive efforts are being made to receive direct federal economic relief from COVID-19 costs.

Given the challenges of increasing costs and declining revenues, we are requesting that the Government of Canada enthusiastically support policies that boost port competitiveness, while resisting any taxation or policy measures that would add further costs and burden the employers of workers.

Furthermore, through the federal Port Modernization Review, the Government of Canada has a critical opportunity to ensure that policies and a governance framework is realized, that allows Canadian ports to grow and continue to be economic engines for communities across Canada.



We know from experience that this approach will lead to more jobs on B.C.'s waterfront. B.C. has a strong record of private sector investment, innovation and growth, with an increase in waterfront employment of 34% over the past 10 years. Again, the Port of Prince Rupert is a great example of the success of governments working together with the private sector to facilitate both growth in trade and in good paying, family supporting jobs.

Gateway Transportation Investments to Support Canada's Economic Recovery

State-of-the-art, effective and reliable trade-related infrastructure is a key component of the competitiveness of Canada's economy. Expediting major infrastructure projects presents significant opportunities for job creation, growth, and economic recovery across Canada. An ideal source for shovel-ready projects that support Canada's economic competitiveness is the National Trade Corridors Fund (NTCF).

Several major infrastructure projects in Canada's Pacific Gateway are well advanced in development and shovel-ready. Projects of this magnitude provide significant employment opportunities during project construction and economic benefits to Indigenous groups and neighbouring communities. They also provide a unique opportunity to advance efficiencies to reduce the overall greenhouse gas footprint relating to Canada's international trade.

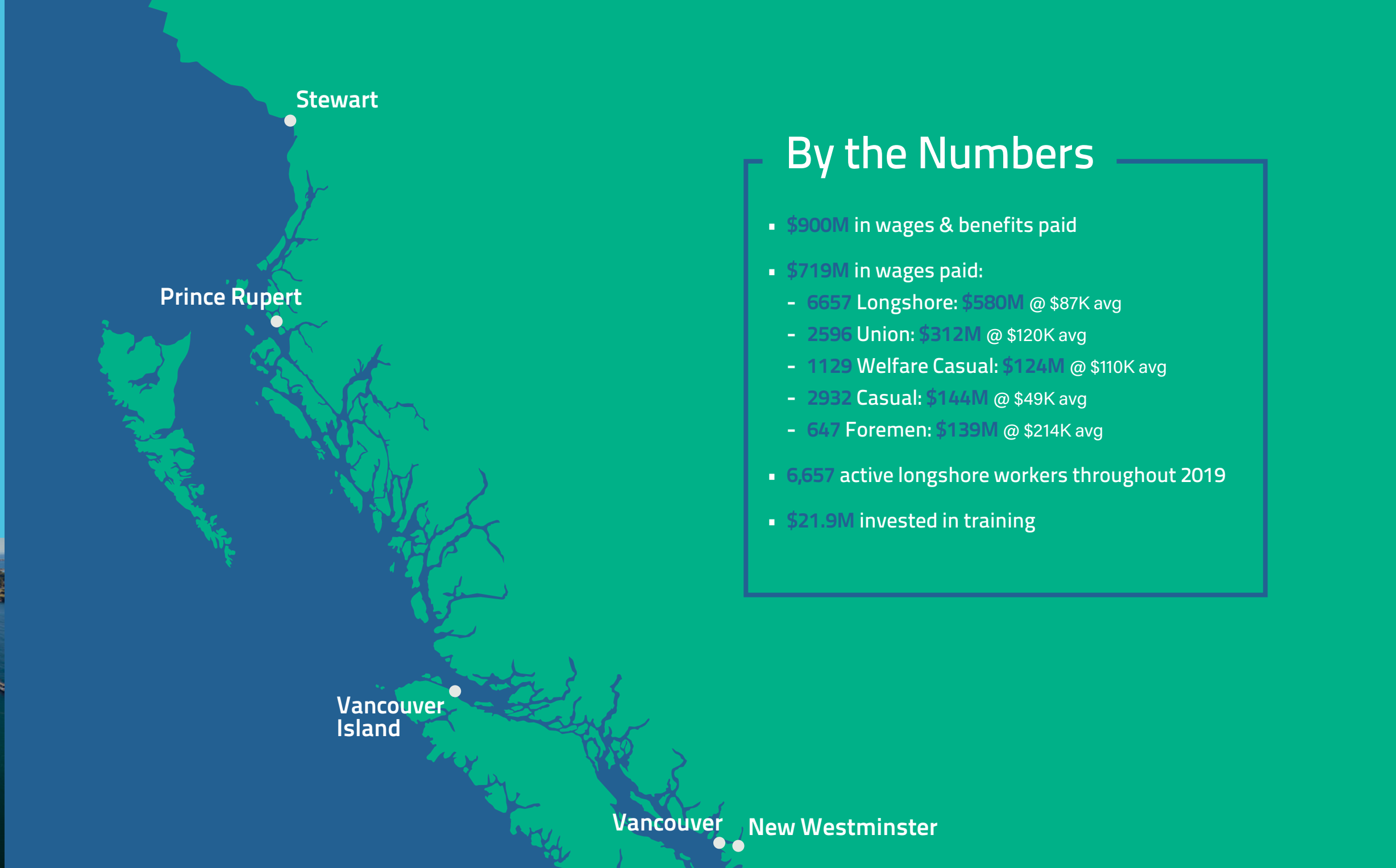
Canada's ports will also need to support the transition to a low-carbon economy, invest in research and innovation of alternative fuels, infrastructure, electrification and reception facilities that would help Canada become a leading nation in supporting the decarbonization of shipping.

Conclusion

The importance of our role as the gateway to the Asia-Pacific is paramount to a strong Canadian economy and moving forward, B.C.'s waterfront employers remain committed to supporting Canada's economic and social recovery.



2019 WORKFORCE HIGHLIGHTS



By the Numbers

- **\$900M** in wages & benefits paid
- **\$719M** in wages paid:
 - **6657** Longshore: **\$580M** @ \$87K avg
 - **2596** Union: **\$312M** @ \$120K avg
 - **1129** Welfare Casual: **\$124M** @ \$110K avg
 - **2932** Casual: **\$144M** @ \$49K avg
 - **647** Foremen: **\$139M** @ \$214K avg
- **6,657** active longshore workers throughout 2019
- **\$21.9M** invested in training