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# Standing Committee on Transport, Infrastructure and Communities

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Chair: Mr. Peter Schiefke





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• (1540)

[*Translation*]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I now call the meeting to order.

Welcome to meeting number 33 of the Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 3, 2022, the committee is meeting to study anticipated labour shortages in the Canadian transportation sector.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application.

[*English*]

Members, appearing before committee today, we have, from the Canadian Canola Growers Association, Dave Carey, vice-president of government and industry relations, and Mr. Steve Pratte, senior manager, transportation and biofuel policy, joining us by video conference. From Fertilizer Canada, we have Ms. Nadine Frost, director of policy and industry standards. From the Grain Growers of Canada, we have Ms. Erin Gowriluk, executive director. From the Private Motor Truck Council of Canada, we have Mr. Michael Milian, president, who is also joining us by video conference. From Trucking HR Canada, we have Ms. Angela Splinter, chief executive officer, and Craig Faucette, chief program officer. Finally, from the United Steelworkers, we have Mr. Luc Julien, staff representative.

We will now begin the opening remarks with the Canadian Canola Growers Association.

The floor is now yours for five minutes.

**Mr. Dave Carey (Vice-President, Government and Industry Relations, Canadian Canola Growers Association):** Thank you for the invitation to be here today. I'm joined virtually by my colleague Steve Pratte, senior manager, transportation and biofuel policy.

CCGA is a national organization representing Canada's 43,000 canola farmers on issues and policies that impact on-farm profitability. Canada produces, on average, 20 million tonnes of canola annually and exports over 90% in three forms: seed, oil and meal. These products are exported to more than 50 countries. In 2021, canola exports were worth \$13.7 billion. Canada is the world's largest producer and exporter of canola, and our industry supports

207,000 Canadian jobs and contributes \$29.9 billion to the Canadian economy annually.

The transportation of grain is one of several commercial elements that directly affect the prices offered to farmers. When issues arise in the supply chain, the prices farmers receive for their grain crop can drop, even at times where commodity prices may be higher in the global marketplace. In periods of prolonged rail disruptions, the worst-case scenario is that space in grain elevators becomes full and grain companies stop buying grain and accepting deliveries from farmers. This can occur even when farmers have existing contracts for delivery, potentially straining their ability to cash flow their operations. Today's grain supply chain is predicated on having the right grain in the right place at the right time. There are a lot of moving parts in this complex system, and labour is the fundamental factor for success.

Now I'll turn to the specific question of what the anticipated labour shortages are in the Canadian transportation sector. As noted, the grain handling and transportation system is a complex, multi-actor logistics system that involves trucks, inland collection points, railways, port terminals and marine vessels. All are required to move canola from the Prairies, where it is grown, to the international customers, where it is wanted.

In such a complex system, in any given year, there will inevitably be incidents and events that negatively impact the fluidity and on-time execution of the supply chain. Weather, infrastructure damage and other unforeseen events are often outside the influence of our control. One element that we do, broadly speaking, have control over is labour agreements in organized work environments. In the grain sector, there has been a relatively lengthy run of labour stability with organized workplaces, namely at port terminals.

One critical element of our supply chain where we observe ongoing instability is between our class I railways and their labour. Most recently, in March 2022, we saw one Canadian class I railway approach the brink of labour action with one of its labour groups. Ultimately, a shutdown was avoided in the eleventh hour, but there are still ramifications for supply chain fluidity with even the threat of labour action. In advance of labour deadlines, the railways begin curtailing operations, sending a wave of logistical disruptions and delays back through the supply chain. In November 2019, another class I railway did have labour action that affected operations for a full week, with effects reverberating for months after.

Given the geopolitical situation in the world and the early signs of a strong 2022 harvest in Canada, several agricultural groups launched the Canada's Ready campaign this summer to raise awareness of the need to reliably get Canada's canola and other grains to customers around the world. One tenet of that was for government to establish an industry-government labour council to track the progress of the collective agreement negotiations. For example, there are 12 CN and CP rail labour agreements that will expire or have expired in 2022 alone. The recently released federal supply chain task force report clearly notes this as a strategic issue and recommends that the Minister of Labour convene such a body.

I would ask parliamentarians on this committee to consider these labour issues from the lens of our international customers and competitors. In Canada, we have enough risk to our supply chains from natural causes in any given year, and ones of our own making must be avoided. We want to produce more, grow our exports and drive our economy's growth. The labour needed to get our products from farm gate to export position is critical. Canola travels an average of 1,500 kilometres by rail from farmers' gates to tidewater.

Labour and management issues naturally reside between those parties. It is a tenuous balancing act that is enshrined in law and evolving jurisprudence. It is not our intention as a farm group to suggest a solution for these issues but rather to highlight the second- and third-order effects when railway labour issues arise.

Looking forward, we clearly see further rising demand for our agricultural products, both domestically and internationally. At the end of the day, farmers will not be able to capitalize on the opportunities from increasing demand or trade agreements without a reliable rail system that grain shippers and our global customers have confidence in.

Thank you.

● (1545)

**The Chair:** Thank you very much, Mr. Carey.

Next we have Ms. Frost.

Ms. Frost, you have five minutes for your opening remarks. The floor is yours.

**Mrs. Nadine Frost (Director, Policy and Industry Standards, Fertilizer Canada):** Thank you so much.

Good afternoon, everyone. I appreciate the opportunity to appear before the committee today. My name is Nadine Frost. I am here with Fertilizer Canada.

In case you're not familiar, Fertilizer Canada is the national industry association representing manufacturers, distributors and retail fertilizer companies across Canada—the backbone of Canada's agri-food economy. In the fertilizer sector, we contribute approximately \$24 billion annually to Canada's economic activity, and our industry facilities support the employment of over 76,000 individuals.

I want to first speak more generally about the importance of fertilizer transportation within Canada, before moving on to some of the specific challenges we see currently and anticipate with labour shortages impacting the fertilizer supply chain and transportation in our industry.

Our Canadian fertilizer industry is export-driven, and we depend on the safe, secure and efficient transportation of our products to domestic and international markets. Sourced from Saskatchewan, over 95% of Canadian potash is exported to international markets, primarily by rail and through ports in B.C. Canada is also home to nine nitrogen fertilizer plants across Alberta, Saskatchewan, Manitoba and Ontario. Approximately 45% of the nitrogen fertilizer manufactured in Canada is exported to the United States. Across all modes, over 36 million metric tons of fertilizer are transported in Canada each year, representing 63 billion tonne kilometres of transportation activity.

Our industry is primarily reliant on railways to move these volumes of fertilizers, and our products are some of the highest-volume commodities shipped by rail in Canada. Across the rail sector, there have been many service issues experienced by Canada's fertilizer companies, and many of those are related to crew availability and labour. This means that our sector has little to no redundancy in labour and capacity to manage situations that are not business as usual in the rail sector.

Fertilizer movement to agriculture markets is a highly integrated system. While 75% of fertilizer, by volume, is moved by rail, our member companies also depend on trucking to move our products through the final leg of the journey, from distribution to retail and, ultimately, to farm gate. The peak volumes of fertilizer transported by truck are in the months of March through May, leading into the spring fertilizer application season.

Supply chain disruptions pose a serious challenge to our industry and to food security, both in Canada and in the export markets that rely on Canadian fertilizers or Canadian-grown foods. For Canada's farmers, purchasing and applying fertilizer is a highly time-sensitive process. During critical fertilizer application windows, primarily in the spring and fall—these periods largely determine the course of a farmer's harvest—delay or disruption of access to fertilizer products, even by a few days or a few weeks, can impact the essential products that our farmers need for growing food within Canada and around the world. Hence, labour shortages that impede a farmer's ability to access fertilizer inputs or ship the food they produce will and do have long-term consequences in terms of costs to farmers and harm to domestic and international food security.

I think it's well known that the trucking industries in Canada and the U.S. are facing critical labour shortages. These have a severe impact on the ability of the trucking industry to meet the needs of shippers, like fertilizer companies. A key issue is the reduction in the number of younger individuals entering the sector. This has disproportionately impacted the trucking industry, which is experiencing an aging work force. A lack of new entrants in this sector could mean that there is very limited future capacity to move goods by truck, which will impact the entire supply chain. Furthermore, the movement of some fertilizer products, such as anhydrous ammonia, requires specialized training with regard to the transportation of dangerous goods.

As it has been mentioned as an urgent call to action in the recent national supply chain task force report, Canada must address the transportation supply chain labour shortage. We call on the Government of Canada to act on this task force recommendation and deliver a national supply chain strategy that can address the chronic labour shortages that are being seen and that are anticipated in the transportation sector. We hope this will ensure that supply chains have built-in redundancy and are more resilient to changes in the labour markets.

Thanks again for the opportunity to provide remarks on behalf of Fertilizer Canada.

• (1550)

**The Chair:** Thank you very much, Ms. Frost.

Next is Ms. Gowriluk.

Ms. Gowriluk, the floor is yours for your opening remarks. You have five minutes.

**Ms. Erin Gowriluk (Executive Director, Grain Growers of Canada):** Thank you, Mr. Chair and committee members, for the opportunity to present to you today on a topic of importance to the farmers whom our association represents.

My name is Erin Gowriluk, and I am the executive director of the Grain Growers of Canada, a national advocacy association that represents the interests of 65,000 grain, pulse and oilseed farmers in every province across the country.

Depending on the commodity, approximately 80% of the grain we grow in Canada is destined for international markets. As the fifth-largest agri-food producer in the world, Canada's agriculture

and agri-food sector offers some of the highest economic growth potential in this country.

Canadian agriculture is a national success story in terms of both productivity and growth. As a key driver of our economy, agriculture and agri-food contributes \$142 billion, or 6.7%, to Canada's GDP annually. We employ about 2.3 million people across the country.

According to the final report that was released earlier this month by the national supply chain task force, "Canada's standard of living is directly connected to our success in international trade and, therefore, to our transportation system's performance." Canada's transportation system is critical to the agriculture sector. Farmers depend on these lines of transportation to receive critical input like fertilizer and deliver products to market.

With global supply chain shortages and increased geopolitical risk, harvest 2022 is the most important harvest in a generation. Following last year's devastating drought, we are relieved to see a return to average yields. Getting this year's harvest to consumers will be necessary to safeguard food security and the livelihood of Canadian farmers, who are paying record high fuel prices and input costs to dry and ship their grain.

Demand for products that Canadian farmers can deliver is growing, but we can only capitalize on these opportunities if we can ensure efficiency and reliability in our own transportation system. We have a strong, global reputation as a trusted supplier of safe, top-quality food, yet our reputation is still contingent on the value chain's ability to deliver much-needed products to markets here at home and around the world. If unaddressed, labour shortages in Canada's transportation system will undoubtedly have serious and negative impacts on several sectors and the Canadian economy more broadly.

I am very pleased that the committee has undertaken this study to hear from stakeholders to proactively address these issues, to keep the Canadian economy moving as we seek to recover from the pandemic and to mitigate the impacts of an impending recession. While I am not a labour expert, I can speak to the impact that these shortages will have on Canadian grain farmers and in support of the recommendations that others have put forward.

For example, the final report released by the national supply chain task force identified that the current labour shortage in Canada's transportation sector will continue to be a limiting factor for a reliable and efficient supply chain unless drastic measures are taken. The task force called on the federal government to address Canada's labour shortage without delay and recommended that the following actions be taken: develop a transportation supply chain labour strategy, expand existing programs and examine ways to attract more under-represented groups to the sector, expand the temporary foreign worker program as it applies to workers in the transportation supply chain and expedite refugee and immigration processing for individuals who have experience in, or would be eligible to work for, transportation supply chain-related businesses.

These are proactive steps that the government can take in an effort to address labour-related issues in Canada's transportation sector now and into the future. We also have to find a way to build more reliability and resiliency into the system and find a way to reduce and ultimately eliminate the number of service action-related interruptions that Mr. Carey referred to.

The report goes on to confirm something that our members are acutely aware of, and that is the damaging effects that these work stoppages have on the national economy, people's livelihoods and ultimately Canada's international reputation as a reliable shipper. A resolution to labour action-related stoppages must be found soon, as the two class I railways are, together, facing the expiration of 12 collective agreements over the next two years.

- (1555)

While GGC has long been advocating for the use of binding arbitration and back-to-work legislation as tools to ensure that negotiations between unions and railway management are never allowed to affect service delivery, it is clear that a more robust strategy is required. As such, we support the recommendation also included in the task force report, which would see the formation of a council of experts, under the Minister of Labour, working together to "develop a new collaborative labour relations paradigm that would reduce the likelihood of strikes, threat of strikes, or lockouts that risk the operation or fluidity of the national...supply chain."

I'm grateful to have had the opportunity to present alongside my colleagues here today. I look forward to your questions.

**The Chair:** Thank you very much, Ms. Gowriluk.

Next we have Mr. Millian.

Mr. Millian, the floor is yours for your five-minute opening remarks.

**Mr. Michael Millian (President, Private Motor Truck Council of Canada):** Good afternoon, committee members.

The PMTC would like to thank the Government of Canada for putting this committee together. We are very appreciative of the invitation to address the group on the shortages we are facing in today's trucking sector.

While there are shortages across the board in many fields in the transportation sector, for today's purposes I will concentrate on the position of the professional Canadian truck driver.

The Canadian trucking industry is crucial to our economy. According to Statistics Canada, trucks move more than 70% of the freight value in Canada, employ more than 300,000 drivers and generated \$39.55 billion in revenue in 2018. These numbers show how vital the sector is to our economy, as well as to the supply of the essential needs and services that Canadians require.

While many people, I believe, understand that truck drivers deliver essential items such as food, water, clothing and daily supplies for our households, I believe that society as a whole may not fully comprehend everything that truck drivers touch. Trucks deliver blood and medical supplies needed by hospitals. They deliver medicines and vaccines to our pharmacies and hospitals. They deliver heating fuels for our homes and businesses. They are needed to maintain and repair critical infrastructure such as hydro networks, telecommunications and roads. These are just a few items, but it is safe to say that almost everything we need or want at some point in time is on a truck—or the service is delivered by a truck—and delivered by a professional driver.

The labour shortages we are currently facing endanger our economic recovery, as well as the current and future supply of these goods and services. A recent LMI report by Trucking HR Canada highlights the current deepening shortage. As of the end of June, there are 28,210 job vacancies in Canada. This means we have over 28,000 trucks sitting idle as a result of no one being able to fill the seat. The vacancy rate is 9.2%, well above the national average of 5.2%. Over 50% of the vacant positions have been posted for over 90 days, indicating this is not an issue of seasonal peaks and valleys. Compounding these issues is that the average age of a truck driver is over 51, with 32% of drivers over the age of 55. These numbers are a clear indication that the shortage will only become worse going forward if it is not addressed.

While there is no silver bullet that can solve the labour shortages immediately, there are a number of actions that can be taken to begin addressing the shortage in both the short and near terms. Action must be taken swiftly. While we know that the labour shortage is a country-wide issue and that the industry is competing with many other fields for labour, we must act to prioritize the position of the truck driver to ensure that our fragile supply chain can supply our nation's essential services and goods while continuing to support the rebuilding of our economy.

Here are some of the priority items that the PMTC would like to see implemented.

Funding needs to be opened up for training. Unfortunately, the position of a truck driver has not yet been classified as a skilled trade, which means that obtaining grants and student loans is not an option for most. With the introduction of mandatory entry-level training across the country, the cost of a training program for a class 1 driver is in excess of \$8,000. This is a barrier to many interested individuals who would like to enter the industry. We need an increased and consistent funding model available to help people enter the industry.

One solution that can be acted on quickly, as identified in the national supply chain task force report, is the expansion of Trucking HR Canada's career expressway program. As a signatory in support of this program, we are in complete agreement with the task force on this recommendation. We would also like to see work continue to be done to elevate the position of truck driver to that of a skilled trade. We also need to continue to support and increase access to temporary foreign workers for the position of truck driver, with the goal being a pathway to permanent residency. This program is important, as immigration is required to fill labour shortages.

Just as crucial, however, is to ensure the program has proper oversight. We must ensure that we only use companies that have proven safety records, written policies and procedures and formal initial and ongoing training, and that abide by proper labour standards. We must properly assess the employer who wishes to bring a worker in if the program is to provide a long-term solution to the industry and not endanger road safety at the same time. A Globe and Mail investigative report showed, in 2019, that if oversight is not properly done, the consequences can be severe.

- (1600)

We need to reopen the fast processing centres on the Canadian side of the border. These centres were closed in March 2020 in response to COVID-19. The centres have been reopened on the U.S. side of the border, but the ones on the Canadian side remain closed, with no opening time announced.

We also need to find a way to expedite current processing times, as there is a backlog of 10,500 drivers waiting to have their interview completed.

**The Chair:** You have 10 seconds, Mr. Millian.

**Mr. Michael Millian:** Okay. I'll just say that we also need to improve rest area facilities for truck drivers and have proper lighting in washroom facilities.

With that, I'll wrap up. I thank the committee for giving me the time to speak to you today.

**The Chair:** Thank you very much, Mr. Millian.

Next we have Ms. Splinter.

Ms. Splinter, the floor is yours for your five-minute opening remarks.

- (1605)

**Mrs. Angela Splinter (Chief Executive Officer, Trucking HR Canada):** Thank you, Mr. Chair.

Good afternoon, and thanks to all of you for the invitation to speak with you here today.

Trucking HR Canada is a national not-for-profit organization that works collaboratively with stakeholders in commercial transportation, public policy, training and economic analysis, ensuring Canada's freight transportation network has the skilled workforce it needs to meet growing demand. We offer a range of HR-related programs and supports, including driver training and other wage incentives and subsidy programs, which are all informed by our sought-after labour market information.

I had the opportunity to review some of the testimony that has already been heard by this committee, and my comments today will build on it, with labour market data on shortages and some considerations to address them.

The trucking and logistics sector is the most significant enabler of postpandemic economic recovery in Canada. Our labour market information shows that in the third quarter of 2022, Canada's truck driver labour force amounted to close to 320,000 drivers, including those who are fully employed or who are actively seeking work, with 60% of these drivers working directly in the truck transportation sector, and the remaining 40% working in industries such as construction, agriculture—as we've heard today—mining, oil and gas extraction, manufacturing, wholesale and retail trade and more.

In that same quarter, employment among truck drivers increased by 11.8%, with some 33,000 additional drivers actively employed compared to the previous quarter. At the same time, the number of unemployed drivers fell by half. The low level of unemployment among drivers means that employers have a much smaller pool of experienced workers to draw upon and must therefore look to hire, train and onboard new drivers, which is a lengthy and costly process.

The unemployment rate among drivers stands at 2.1% compared to 5.3% in the overall Canadian labour force. The most recently available vacancy data shows, as Mike said, that there are some 20,110 vacancies in truck transportation overall—NAICS 484—with a vacancy rate of 9.4%. These vacancies include jobs for over 30 different occupations, including truck drivers, mechanics, dispatchers, shippers and receivers, managers and administrators, IT workers and more.

For the occupation of transport truck drivers specifically—NOC 7511—the vacancy rate is similar, at 9.1%, which is what Mike quoted, with 28,210 vacancies across Canada. This is 8,100 more vacancies than in the truck transportation sector overall. How is this possible? As we've heard, it's because most other sectors in the Canadian economy depend upon the services provided by truck drivers both to receive goods required to conduct their business and to move their products onwards in the supply chain. As a result, the shortage of truck drivers impacts the abilities of these other sectors to recover from the pandemic and grow.

Even before the pandemic, the driver shortage was threatening growth. In 2020, Trucking HR Canada estimated that the driver shortage was costing the truck transportation industry as much as \$3.1 billion in lost revenues every year. Other sectors are experiencing the impact of the driver shortage too. For example, the Forest Products Association of Canada estimates that the truck driver shortage is costing their industry about \$450 million in lost business. Also, the shortage of drivers might actually be fuelling inflation. If it costs more to move food, fuel, medical supplies and other goods by truck, it is likely that these costs are being passed on.

In terms of underlying causes, our research suggests that safety concerns, high upfront training costs, work-life balance and environmental concerns are some of the reasons. Retirements are a factor, as we've heard, with 35% of our truck drivers being 55 or older, compared to 22% in all sectors. Our industry also has some of the lowest representation of women and youth, each group accounting for under 4% of our truck drivers.

What are some considerations to help address this?

First, our driver training subsidies and wage incentives are helping get more young people in the sector and are helping employers with onboarding and employment readiness. Here we need access to more of these programs.

Second, we need to better bridge the gap between entry-level training and employment readiness. Trucking HR Canada has given a proposal to the federal government to support this.

Third, we see a need to develop tools to equip employers in the recruitment and retention of a diverse and inclusive workforce.

• (1610)

Fourth, we see a need to better support and educate our federally regulated employers with increasingly prescriptive Canada Labour Code compliance requirements.

Fifth, we need to continue with our labour market information to support evidence-based decisions by employers and career seekers, as well as to inform government policy and skills-training investments.

Our truck driver shortage is real and worsening. The shortages in other key occupations are also worsening, posing a threat to economic recovery. We need significant and immediate interventions to ensure that we have the skilled workforce needed to support a growing, competitive and sustainable supply chain.

Thank you.

**The Chair:** Thank you very much, Ms. Splinter.

[*Translation*]

We will now hear from Mr. Julien for five minutes.

**Mr. Luc Julien (Staff representative, United Steelworkers):** Thank you, Mr. Chair.

Thank you, as well, to the committee members for inviting me to appear today.

My name is Luc Julien. I am a union representative with the United Steelworkers union. I represent more than 900 security screening officers at Montréal-Trudeau International Airport. I'm also on the bargaining committee for screening officers in eastern Canada, which represents nearly 2,000 officers at 26 airports in Quebec and the Maritimes. We are in negotiations as we speak. The United Steelworkers union is the voice of security screening officers at over 42 airports across Canada.

The labour shortage is a real and pressing concern for us. This past summer, the Montreal, Quebec City, Halifax and Newfoundland airports were impacted by a screening officer shortage. The situation was so bad that officers from other airports had to be brought in to help. Officers from Halifax and Montreal were sent to Quebec City. The airports are still very understaffed, with Montréal-Trudeau airport alone in need of nearly 100 officers.

The issue persists today because the problem has not been fixed.

In our view, the Canadian government's underfunding of the workforce is the main cause of the screening officer shortage. The Canadian government gave the Canadian Air Transport Security Authority, or CATSA, the responsibility of administering Canada's airports. This government agency contracts the management of screening officers out to security firms, the idea being to reduce labour costs.

Officers are being pressured by their employers because of the labour shortage. What's more, the public's frustration is making their jobs harder and harder. People end up quitting or taking time off work. Finding another job is easy these days, especially one with better working conditions and a lot less stress. We are losing more and more expertise.

This summer, CATSA introduced a bonus program in an effort to combat employee absenteeism. It was a disaster. Screening officers became very frustrated because, in order to receive the bonus, they couldn't miss work for any reason, not even to look after their children. If they did, no bonus.



We are at the bargaining table, and the employer is offering screening officers a wage increase less than half the rate of inflation. The federal government must do something. It has sole responsibility for the safety and security of passengers, Canadians and workers at airports. Workers are fed up and discouraged, and if nothing is done, nothing will change.

What screening officers do isn't just another job. They are under constant watch. In order to be hired, they have to obtain security clearance, and their schedules make it difficult to have a work-life balance. On top of that, the employer is putting more pressure on them and the public is growing more impatient because of the long lineups. It is important to keep in mind that these workers ensure the safety and security of all.

I would be remiss if I didn't address the challenges related to security. This year, efforts were made to hide the understaffing. Screening officers are the key to the work. Administrative personnel at CATSA and security agencies worked in screening positions to make up for the lack of officers. Requirements were lifted so that new officers could perform certain tasks, something that used to be the exception. Existing officers were asked to do more with less. We saw a reduction in the number of staff assigned to certain positions, increasing the amount of stress and fatigue, not to mention the potential for error. There is no room for error in an airport.

The government can and must do something about the screening officer shortage. The government has a duty to ensure the safety and security of Canadians and workers. It is time that the government recognize the value of the work screening officers do and give CATSA the resources it needs to improve working conditions.

In closing, there is no doubt that the labour shortage is going to get worse. What happened this past summer will happen again, especially during the holidays, March break and, what's worse, next summer.

Thank you.

• (1615)

**The Chair:** Thank you very much.

[English]

We'll begin our line of questioning with Mr. Muys.

Mr. Muys, the floor is yours. You have six minutes.

**Mr. Dan Muys (Flamborough—Glanbrook, CPC):** Thank you, Mr. Chair.

Thank you to all the witnesses for giving us a lot to think about on this issue.

I'd like to take a moment to welcome my new colleagues to the committee and give them a warm welcome. I look forward to working with them, as I know all members do.

At the last meeting, we heard there were about 30,000 vacancies for truck drivers. We've heard the figure 21,210, so we can split the difference, I suppose. There's a projection that this was going to grow to a shortage of 50,000 truck drivers over the course of the next few years.

My question is for Ms. Splinter and Mr. Millian.

You've put forward recommendations, and the government has a national supply chain task force. Is there enough urgency to this? It is really impacting our economic recovery, as you pointed out.

**Mrs. Angela Splinter:** Yes, absolutely, there's an urgency, as we've stated. That was the word you used.

**Mr. Dan Muys:** Is there enough urgency on behalf of the government to act on this?

**Mrs. Angela Splinter:** Absolutely. As I mentioned, we are addressing it in terms of driver training subsidies and wage subsidies, which are helping, but in terms of the forecasting, it is going to keep increasing over the next five years.

**Mr. Dan Muys:** We're going to have a massive shortage that's going to impact every sector of our economy. Is there one thing you'd recommend the government to do as immediate action to address the shortage staring us in the face?

**Mrs. Angela Splinter:** First, I wouldn't say it's not going to impact economic recovery. It already is. We're seeing that.

I don't think there's one simple solution to the issue. As I've mentioned, we need to get younger people into the occupation. We have training issues that we need to look at. We have insurance issues when bringing those younger people in.

There's a range of solutions that we need to look at. One is getting more Canadians into our sector, particularly young people, and more women into the truck driver occupation. The temporary foreign worker program, as has been mentioned, is also another avenue for us to look at—

**Mr. Dan Muys:** A study by your organization indicated that 27% of the drivers are coming from immigrant communities. Given the massive backlogs in IRCC, which we've seen snowball over the past year, how do we tackle that? Is that going to be enough?

**Mrs. Angela Splinter:** No, it won't be enough on its own. I think we need to look at a range of different solutions to get more drivers in using all different avenues.

**Mr. Dan Muys:** Mr. Millian, do you have any comments?

**Mr. Michael Millian:** I concur with Angela. It's going to take a number of solutions. One is not going to fix it. I believe the biggest thing we need to get going quickly is something we've been asking for for quite a while: We need a consistent stream of funding for people to have access to training.

Eventually we'd like to see this declared as a skilled trade, which opens up a whole bunch of different avenues for training dollars. Getting it declared a skilled trade is not going to happen tomorrow. In the meantime, we need consistent training funds available that people are able to access, that they're aware of and that the government pushes out and makes people aware of.

The biggest access to funding available right now occurs when people are on unemployment, which is fine, but in a lot of cases, if they're already on unemployment and are being pushed into the industry, they may not want to be in the industry. Then they don't stay in it anyway. If unemployment is your number one access to the training dollars available to people, it's not necessarily getting the best candidates to come into the industry.

**Mr. Dan Muys:** You mentioned border issues and that there's been action on the U.S. side of the border but not on the Canadian side of the border. Is that exacerbating the problem? Can you elaborate a bit on that?

**Mr. Michael Millian:** FAST is the free and secure trade program, and a lot of drivers and companies and their shippers are part of that program. It expedites shipments and getting them cleared when they cross the border.

In March 2020, we shut down the FAST processing centres on both sides of the border. What is happening now is they extended people who already had their FAST cards, but the issue is that some people left the industry. When you hire new people to get into the industry, they have to be FAST certified to haul automotive. If you're a Canadian driver who goes onto the U.S. side, you can't haul dangerous goods on the U.S. side without a FAST card.

With these interview centres being closed for over two and a half years on this side of the border, we have a backlog of drivers waiting to get interviews completed, which means they can't cross the border or it takes them longer to cross the border, or they simply can't haul certain products. It is something that needs to be addressed in a short period of time.

• (1620)

**Mr. Dan Muys:** Really, the government needs to act on this much more quickly than they're doing right now.

We have a couple of agriculture organizations—the Canola Growers Association, Grain Growers of Canada and Fertilizer Canada—and a comment was made a couple of times about the importance of harvest 2022. The fact that it's the most important in generations is pretty significant.

I want to ask about the impact of high fuel costs, because that has been mentioned. The inflationary impact of that has been mentioned as well. We have, of course, the proposal from the government to triple the carbon tax.

I want to get the perspective of Grain Growers of Canada, the Canola Growers Association and the fertilizer institute. What impact is that going to have, and is it going to exacerbate the labour shortage we already have and jeopardize harvest 2022?

**The Chair:** Unfortunately, Mr. Muys, your time is up, but you do have another spot at the end if we can get to it. I encourage all our witnesses to hold their thoughts on that.

Next we have Mr. Badawey.

Mr. Badawey, the floor is yours. You have six minutes.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Mr. Chairman.

I want to make it very clear from the start that what I'm going to try to drill down on is the business of good government versus the business of good politics. With that said, I appreciate some of the questions by Mr. Muys. I want to elaborate on them and, frankly, get a bit more granular with respect to specific recommendations that you all, who are in business, could give us.

As you know, the testimony that you give today—not what we say, but what you say—goes to the analysts, and it is part of the report that we then present to the minister. What I need to hear from you are very specific recommendations that all of you would like to see in that report.

We understand from past studies and reviews.... We had the CTA review back in 2015, the Emerson report. We had the transportation logistics strategy and both interim reports that this committee completed in 2018 and 2019. We also have the ports modernization review that was just done and the supply chain report that we were just handed. Of course, with that, the expectation is that a strategy is going to be forthcoming based on the report.

Although we have heard a lot about trucking today, we recognize that this is not just about trucking. It's about the multimodal side. There are many challenges you folks are seeing in your individual areas. The marine sector is experiencing the same challenges. The railway sector is experiencing the same challenges, and so is the airline sector. Anybody who goes into an airport these days will recognize that.

That's all I'm going to say. What I need now is to hear from you. What are your specific recommendations with respect to what you want to see in this final report?

I'll start off with you, Mr. Millian, because you were the one who came out with some recommendations already, and I want to give you the opportunity to expand on them. I'm going to each and every one of you if time allows.

**Mr. Michael Millian:** Thank you for the question.

The one I touched on recently is that we need the funding dollars. We need them opened up. We need them dedicated. We need them there now. We need people to get in and access the trucking industry, and many of them can't afford to do it if we don't have the dedicated funding available to allow people to get in and train. That is the first key thing.

We have to deal with the issue of insurance, and Angela touched on it a bit. There is a specific problem in provinces that don't have the government-funded insurance. I'll use myself as an example. I started in the transportation industry as a professional truck driver when I was 18—33 years ago. It was a very small trucking company in an agriculture area with 10 trucks. That wouldn't happen today. It would not happen in the province of Ontario today, simply because they can't get insurance.

A lot of these individuals are getting trained, in some cases to work for a small family operation, but they can't get insured to work for that family operation. They then end up having to go to a big carrier and move into long haul. That's great, but not everybody wants to do long haul, and we're losing those candidates at the start. If we wait until they're 25, 26 or 27 years old, they've already made a career choice. We need to be able to give them access to this industry at 18, and many of them are going to do it through family businesses. Those avenues are being closed right now because of the issues we're having with insurance.

I don't want to take up everybody's time, so those are two key recommendations I would put in place to get people trained and allow them to have access to jobs.

• (1625)

**Mr. Vance Badawey:** Thank you, Mr. Millian.

Go ahead, Mr. Carey.

**Mr. Dave Carey:** I think the first would be the establishment of an industry-government labour council, as indicated in the report, with strong representation from agriculture.

The second, before I ask my colleague Steve to weigh in, would be more timely data and transparency from the railways. Currently we have to source the data, so this is key to maintaining our international reputation.

Maybe Steve Pratte, our rail expert, will have one more.

**Mr. Steve Pratte (Senior Manager, Transportation and Biofuel Policy, Canadian Canola Growers Association):** I think you've hit the major ones there, Dave.

**Mr. Vance Badawey:** Thank you.

Go ahead, Ms. Gowriluk.

**Ms. Erin Gowriluk:** To build on Mr. Carey's comments, I would suggest that forming the council of experts under the Minister of Labour is a key priority for our sector, and there should be strong representation from the agriculture sector as part of that council. I would also suggest that the agriculture sector more broadly supports the recommendations that were outlined in the task force report, and I think these recommendations should be taken seriously and should be acted upon with a sense of urgency.

**Mr. Vance Badawey:** Thank you.

Go ahead, Ms. Splinter.

**Mrs. Angela Splinter:** As mentioned, in the national supply chain task force report, Trucking HR Canada's career expressway program was referenced as a program that can immediately get truck drivers into our industry. This includes, to give a specific example, the youth employment and skills strategy.

We're able to access funds. The number one barrier for getting young people to be truck drivers is the cost of training. As Mike mentioned, it can cost up to \$10,000. They have no other avenue to access those funds, and we cover that through this program. We then offer a financial incentive to the employer through a wage subsidy. It is a financial incentive to help them with the onboarding of a driver. We need that program to grow.

**Mr. Vance Badawey:** Thank you.

Go ahead, Mr. Faucette.

**Mr. Craig Faucette (Chief Program Officer, Trucking HR Canada):** I have nothing to add to Ms. Splinter's comments.

**Mr. Vance Badawey:** Thank you.

Go ahead, Mr. Julien.

[*Translation*]

**Mr. Luc Julien:** The Government of Canada must give CATSA the funding required to immediately improve screening officers' working conditions.

[*English*]

**Mr. Vance Badawey:** Thank you.

Go ahead, Ms. Frost.

**Mrs. Nadine Frost:** I would echo the comments made by Mr. Carey and Ms. Gowriluk about adopting the labour-specific recommendations that came through the national supply chain task force. A lot of work went into that report, but it won't go anywhere unless it's adopted and delivered as a strategy. This means ensuring that, at the Minister of Transport's level and throughout, the recommendations are really upheld, especially given the urgency and immediacy of some of these issues, recognizing that labour is not an anticipated challenge. It's already a challenge, and it's anticipated to get more severe.

**Mr. Vance Badawey:** Thank you, Ms. Frost.

Thank you all for your testimony.

**The Chair:** Thank you, Mr. Badawey.

[*Translation*]

Mr. Barsalou-Duval, go ahead. You have six minutes.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

I'm going to start with Mr. Julien, from the United Steelworkers union.

Mr. Julien, I was especially intrigued when you talked about the use of subcontractors, and how it could lead to poorer working conditions and make CATSA airport screening jobs less attractive. Obviously, the system is broken.

What needs to change in order to fix the system?

**Mr. Luc Julien:** In an ideal world, screening officers would be Government of Canada employees. That would make a huge difference in their working conditions. If that change in policy doesn't happen, at the very least, worker representatives should be allowed to negotiate working conditions with CATSA on behalf of those workers.

Currently, we have to negotiate with the subcontractor, which in turn asks CATSA for its mandate. As you know, under the existing bargaining process, we can't speak with CATSA. We can't deal with CATSA; we can deal only with the subcontractor. I would say that hurts screening officers' working conditions.

**Mr. Xavier Barsalou-Duval:** Are screening officers all unionized?

**Mr. Luc Julien:** As far as I know, they are, and they're divided among a number of unions.

**Mr. Xavier Barsalou-Duval:** That may be another problem. If you have a slew of unions each having to negotiate with the employer—which CATSA is not because it is considered the client seeking out the services of the subcontractors—it makes it impossible to communicate.

Is that accurate?

• (1630)

**Mr. Luc Julien:** Yes, that's exactly right.

What complicates things is that, in Canada, CATSA contracts out the work to three agencies, Allied Universal Security Services, Securitas and GardaWorld, putting CATSA in the position of client.

Fortunately, this year, we managed to bring together the screening officers in eastern Canada, covering 26 airports. That's what we are trying to do for all the screening officers the United Steelworkers union represents, who work in 42 airports across the country.

It's definitely complicated because there are different employers in different places and because we are always negotiating with the subcontractor.

**Mr. Xavier Barsalou-Duval:** Is there a lot of difference in the working conditions from one airport to another, or from one agency to another?

Might that also impact the work of screening officers?

**Mr. Luc Julien:** The real issue is the power imbalance with the subcontractors. There used to be a set model. In other words, the wages paid in small airports were comparable, and those paid in the big airports were a bit higher.

Place of work aside, you can appreciate that, in Montreal, the competition for workers is fierce and everyone is fighting for them. I think people would accept lower-paying jobs just so they don't have to work at Montréal-Trudeau International Airport, because getting there is a lot of trouble.

The wages are comparable across the country, but the problem is the attempt to target one place in particular and impose the same working conditions elsewhere. That doesn't make sense because every province has its own economic challenges.

**Mr. Xavier Barsalou-Duval:** Thank you.

We saw all the media reports this summer showing the chaos in airports. It was a nightmare, and you said the problem hasn't been fixed.

I actually travelled out of the country last week, and I saw it for myself. The lines were still long. Things may not have been as bad as they were, but the problem is still there.

Is there anything the government can do in the short term to alleviate things?

I saw people in line rolling their eyes. Other countries, though, don't have a problem anymore. Everything is running quite smoothly, whether it be in Finland, France or elsewhere in the European Union.

Why are we still dealing with the same problems we saw this summer?

**Mr. Luc Julien:** Immediate investments are needed to improve working conditions. It's not just about attracting new workers. It's also about not losing the workers and expertise we have now. The reason you're seeing lineups is that we've lost experienced people.

The first step is to invest in better working conditions, and the government can do that through CATSA.

Something else that's important is recognizing the value of the work officers do. They aren't just people handling baggage. The government needs to recognize their value throughout the process. That includes the entire time the collective agreement is in effect, not just during the bargaining process.

The public needs to be educated about the fact that screening officers provide services on the government's behalf. They aren't to blame for the lineups. Those things would make a big difference in the working conditions of airport screening officers.

**Mr. Xavier Barsalou-Duval:** Would you agree that the people who work in airports under the government's authority ensure the safety of the entire population?

As I see it, a screening officer's work has all the characteristics of a job that should be performed by a government employee. Why do you think that isn't the case?

Doesn't that have consequences on public safety, especially when it comes to worker training? The private sector may not have the same training standards.

**The Chair:** Unfortunately, we don't have time to hear the answer.

You'll get another turn, Mr. Barsalou-Duval. Next time, you'll have two and a half minutes.

Thank you.

[English]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have six minutes.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair, and thank you to all of our witnesses.

I, too, will be directing my questions to Mr. Julien. I wanted to start by acknowledging and thanking your members and all of the security screening officers across Canada who have been working under tremendously challenging conditions over the past two years.

If you listen to the Minister of Transport, he'd have you believe that the situation at our airports is fixed and that things have gotten much better. I take it from your testimony today that you disagree and that your members have a different experience. Can you expand on why the situation at our airports is not fixed?

• (1635)

[Translation]

**Mr. Luc Julien:** In the spring, I was surprised to hear that the delays in airports were due to the fact that people had forgotten how to travel. The real problem is the lack of staff, and it hasn't been fixed.

Right now isn't a great time to travel. The Montreal airport is short a hundred or so employees. In other airports, the word is that workers have been hired and everything will get better, but that's an illusion. There is no guarantee that the people who were hired during a less chaotic travel period will be able to deal with the pressure of the holidays, March break or next summer.

In some airports, the problem is considered to be fixed, but I say it's an illusion to think the problem can be fixed simply by replacing workers with five or 10 years of experience with new hires.

If nothing is done, the problem will get worse every year. Screening officers who left for jobs with better working conditions performed their duties more efficiently than their replacements can thanks to the experience and skills they had gained over the years.

[English]

**Mr. Taylor Bachrach:** Mr. Julien, one of the things I've heard from security officers is that the job of being a security screener used to be a very attractive airport career and that over time that picture has changed. Now there are other jobs at the airport that are more attractive and involve fewer of the stresses you mentioned earlier. Is that something your workers tell you? Is that something your members have expressed?

[Translation]

**Mr. Luc Julien:** The competition for skilled workers is definitely fierce.

Employees have rotating schedules, seven days a week; they have no choice. The pay is less and less competitive. When there are lineups, the public is often impatient, and rightfully so. Employees are constantly being monitored and tested, since a mistake can have serious consequences for everyone. All of that makes for an increasingly stressful environment to work in. Add understaffing to that, and it's not surprising that officers are afraid of making mistakes. Some even quit their jobs for the same or lower pay elsewhere. They find it easier to work Monday to Friday, without the pressure of always having to account for their actions.

Workers are in high demand not just to fill jobs within the airport sector, but also to fill good jobs within the job market in general. Employers are scooping up our skilled workers, so we have to start

that training and development process all over again with new people.

The situation is certainly worrisome. These are people whose job it is to keep Canadians safe. That should be the priority, so we don't have these unfortunate situations. Prioritizing security is a political decision. I'm not saying this will happen, but underfunding the sector and always pushing people to work faster necessarily increases the risk of something bad happening.

[English]

**Mr. Taylor Bachrach:** The federal government provided, I believe, \$300 million to CATSA to support the agency through the pandemic. CATSA turned around and used part of that money for the summer attendance incentive program you mentioned. Other countries around the world have taken different approaches when it comes to the situations at their airports.

How would you have used those public funds more effectively to improve the situation at our airports?

[Translation]

**Mr. Luc Julien:** The first thing I would say is that employee representatives weren't involved in negotiating the bonus CATSA provided.

The United Steelworkers union represents workers at 42 airports. The bonus program was brought in unilaterally. That money could have been used to negotiate fairer conditions and encourage people to stay in their jobs over the summer. I truly believe that the money could have been used to negotiate a much fairer agreement with all the parties, the private firms, CATSA and the United Steelworkers union. Instead, the program was a total disaster.

If an employee had to take their child to the hospital, they didn't get their attendance bonus. Under the program, even if an employee took time off for an approved reason, they missed out on the bonus. That's completely unacceptable, and we won't go through another summer under a similar program.

• (1640)

[English]

**Mr. Taylor Bachrach:** In terms of accountability, one of the challenges we've had is figuring out where the buck stops, because there are so many players and they all point fingers at each other. It's hard to figure out where the change needs to be made.

I wonder, for our report and for the purpose of our recommendations moving forward, what your specific recommendation would be for the government to improve the working conditions for security screeners. How should that take place?

[Translation]

**Mr. Luc Julien:** Under the current regime, the government needs to give employee representatives access to CATSA. That is the organization with the federal mandate to invest in airports and security.

Most of our demands have to do with money, because that's where the quickest impact is felt. However, a myriad of steps can be taken to organize the work more effectively, provide a better work-life balance and thus make the job more appealing. Right now, we have to contend with the agencies—I'm not trying to point the finger at them—and the agencies, in turn, get their mandate from CATSA.

First, the government needs to give CATSA the resources to fix the problem around collective bargaining.

Second, the government needs to make a serious effort to improve working conditions overall, as well as the working atmosphere. That means recognizing the tremendous value of the work these officers do.

**The Chair:** Thank you, Mr. Julien.

[*English*]

Thank you very much, Mr. Bachrach.

Next we have Mr. Strahl, and before you begin, Mr. Strahl, I welcome you to the transport committee for the first time.

The floor is yours. You have five minutes.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Thank you very much. I'll jump right into it.

Last fall, in November, my communities of Chilliwack and Hope discovered very quickly, after floods and mudslides, the value of the supply chain, the trucking industry, train traffic and everything else when we found our shelves and gas stations completely empty within a couple of days. You don't realize how much material that is and how much you rely on the supply chain until it's completely taken away from you. We thank everyone for everything they do to supply those communities behind the scenes.

We've heard a bit here about how this is not... I think part of the problem is that the trucking sector is not seen as a priority. I think there's a bit of a stigma around it, quite frankly, and people are not encouraged to seek it out, even though, as we've heard, there are going to be jobs. Someone who went into that sector would have good employment for the rest of their career, should they choose to do it.

Mr. Millian, you said we need to declare professional driving to be a skilled trade. Who needs to make that declaration? Is it the federal government or is it provincial institutions? What body needs to make that declaration so that more funding or more opportunities can be opened up for professional drivers?

**Mr. Michael Millian:** I'll attempt to answer that, and then if I get something wrong, I'll let Angela Splinter from Trucking HR Canada jump in. This is one of their areas of main skill.

I believe it's the provinces. When you have a NOC code put together, the feds can do it, but the provinces also have to do it. What we've always seen is that if you have a program that affects people coast to coast, even if it's the provinces that eventually have to implement it, it's always better to get the federal government and all the provinces working together on a committee to put codes in place that will allow this to be done on a consistent basis, no matter where you are in the country. It's almost like you consider it a Red

Seal trade, like you have for mechanics, and you do an apprenticeship-type model.

**Mr. Mark Strahl:** Would I be correct that there is a similar issue with the insurance situation you brought up? Would there also be federal-provincial interest there as well? Would the provinces need to be a part of that?

**Mr. Michael Millian:** Well, yes, and they have been working on some solutions for it. Insurance is a private business in a lot of provinces. That's where it becomes a real issue.

If we have government-funded insurance like you have in Saskatchewan, Manitoba and B.C., it's not quite as much of an issue, but when you have it in the other markets, where it's highly competitive and it gets quite litigious, it becomes an issue. I understand the insurance companies' point of view too. They're not in business to lose money, but it's affecting our sector to the point where it's almost impossible to get somebody young into the industry.

We see that our workforce continues to age and age. If the new drivers coming in are already 40 or 50 years old, it's not doing much to bring the average age of our workforce down. We need people to be able to get into it when they're young.

• (1645)

**Mr. Mark Strahl:** I will go to Ms. Splinter now.

On the issue of driver training, if you look at job postings, they want two years of driving experience or five years of experience, or experience driving through the mountains in the snow and that kind of stuff.

How do you bridge the gap between getting someone their class 1 and getting them a job that's going to solve some of the problems we're talking about here today? It's not just a ticket that's worthless. They can't get job experience if they can't get behind the wheel. How do we do that?

**Mrs. Angela Splinter:** Just getting your commercial driver's licence does not mean you're ready to drive a 53-foot trailer down the highway—mountain passes and dangerous goods or not, period. You're not fully equipped. We need to bridge that gap.

I would say, to Mike's point, that at the provincial level, there's entry-level training. What we're looking to do is get consistency at that occupational level of training. When a new driver comes into a fleet and they have their commercial driver's licence, they need at least a couple of months with another trained driver to get them worthy. What we need is consistency. We need all stakeholders at the table. We need insurance at the table.

To answer your question as to who decides when this gets recognized as a skilled occupation, I believe that also has to come from the industry. We have to be a part of that solution too. We need buy-in across the industry on what the occupational level standard looks like that makes it a skilled trade.

**Mr. Mark Strahl:** Thank you.

**The Chair:** Thank you very much, Ms. Splinter and Mr. Strahl.

Next we have Mr. Chahal.

Mr. Chahal, the floor is yours. You have five minutes.

**Mr. George Chahal (Calgary Skyview, Lib.):** Thank you, Chair.

Thank you to everybody new to the committee. I look forward to working with you.

Thank you to everyone for your testimony today.

I'm going to start with questions regarding immigration and with what we are doing as a federal government, focusing on what we're not doing in immigration to address labour shortages in the transportation sector. I want to start with that first.

We need to bring new workers in. One of my colleagues made the comment that 27% of new truckers are from newcomer communities. I want to start with that. Is the data point accurate? What can we do to help get more workers?

I will start with you, Ms. Splinter.

**Mrs. Angela Splinter:** That is accurate. We have a higher number of new Canadians working in our sector compared to the labour force overall. These are people who have come to and settled in Canada and have experience from another country. We need to make sure that we are putting these workers into safe work environments and working with reputable employers. I think we need to do more work there.

I don't know if you want to get into the temporary foreign worker program, but it is the one program that our industry is looking at to get some more workers coming in. Obviously, right now we're doing a good job of reaching new Canadians.

**Mr. George Chahal:** On that specifically, how can we tailor a program to support the labour shortages using the temporary foreign worker program? What would that look like, from a recommendation perspective, when looking at safety, having the right training and having those folks do that work?

**Mrs. Angela Splinter:** We actually did a report in, I believe, 2017—Craig might correct me on the year—offering recommendations on what the temporary foreign worker program could do to better service our industry.

Training is an issue. Once an individual comes over, they still have to go through mandatory entry-level training, which takes time. That starts cutting into the time they are here to work.

We could do a better job of helping integrate them into communities. The path to permanent residency is also really important, as is educating employers on how to better integrate these new workers into their workplaces more efficiently and faster.

**Mr. George Chahal:** Thank you.

Mr. Millian, I want to go to you.

We've talked a lot about harmonizing training or credentials and Red Seal programs across the country. Is that an issue here in Canada? Is that something we could look at doing in the transportation sector to make sure that harmonization occurs across the country and potentially even with the U.S.?

• (1650)

**Mr. Michael Millian:** Yes, and if we're looking at the training end, there are two different routes to it. We have the mandatory entry-level training that all the provinces and territories have agreed on, which is a minimum of 103.5 hours. We don't have it in every jurisdiction in Canada yet, but it's heading there. I believe that in B.C. it's the highest. They are up to 141 hours. So we have the entry-level training we're working on, but what we really need to think about is pre-licence training and post-licence training, which is kind of what Angela mentioned. Your mandatory entry-level training gets you your licence so that you can get behind the wheel and hopefully get a job. Now we need to work on the Red Seal or post-licence training.

Yes, we do need a consistent standard on it. If you get entry-level training in Ontario and now you want to drive coast to coast across Canada, there's no way you've ever seen a mountain pass. You can access some pretty good hills in northern Ontario, but you have not seen the mountains that you're going to go through in British Columbia. No matter what region of the country you get your licence in, you're not going to have seen all the other areas of the country. We need that four- to six-week mentoring program where we have consistent standards and where they get hired on. Then a company mentors them, trains and finishes.

There are many good companies out there that do it now. The problem is that there are also all sorts of companies that don't do it and just throw some of these workers—I'll say it—out to the wolves, because we have a lack of enforcement and oversight that goes on. We see it with the temporary foreign workers who come in as well. They get taken advantage of in some cases.

We need these workers here, but we need them to be treated fairly by proper companies that do proper training. Some of the individuals we bring over get taken advantage of as soon they show up here. They aren't properly trained. Then they don't help solve our shortage because they get disillusioned and leave the industry. We have to make sure that the introduction to our country and this industry is proper. That comes with consistent entry-level training and post-licence training.

**Mr. George Chahal:** How do we deal with insurance? That's an issue for the industry across the country, because it is a provincial jurisdiction. There are different ways of doing that across the country. What do you hope to see nationally that we can do to make it easier for folks to drive and get insurance?

**The Chair:** Give a 15-second response, please, Mr. Millian.

**Mr. Michael Millian:** One thing that would help is to have the insurance, as Angela mentioned, as part of this committee. In a lot of cases, insurers will insure these younger drivers if they're with a company that has very well-laid-out policies and procedures in their post-licence training program. A lot of the bigger companies have that access, and it's harder for the smaller ones to have it. If we come up with a standard, then it's available to all of the industry.

**The Chair:** Thank you very much, Mr. Chahal.

Thank you very much, Mr. Millian.

[Translation]

We now go to Mr. Barsalou-Duval for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Mr. Julien, I asked you a number of questions earlier, but I would've liked to hear you comment on the labour shortage. My question is for Mr. Millian.

Much of the labour shortage is attributed to the challenges associated with worker retention and retirement.

Do you think giving older, experienced, workers a tax break would provide the financial incentive they need to stay in the workforce longer? Do you think that's something that could help?

**Mr. Luc Julien:** People who work at the airport now certainly don't have a big pension plan. That may give them an incentive to stay on the job, but the benefits have to outweigh the drawbacks.

You'll understand that, if the work is too hard, people will leave, even if you give them a tax credit.

**Mr. Xavier Barsalou-Duval:** Thank you.

Mr. Millian, I don't know if you understood the question. Concerning truckers, is this something that would help your industry?

[English]

**Mr. Michael Millian:** Just to make sure I understood the question, you're asking about a tax credit simply for the older drivers to help retain them longer, instead of seeing them going into retirement. Is that what you're asking?

[Translation]

**Mr. Xavier Barsalou-Duval:** Yes, that's right.

[English]

**Mr. Michael Millian:** Any time you can give somebody a break, it may keep them around for a bit longer. I don't know if it would be a long-term solution to solve our shortage and I don't know how many it would keep around on a short-term basis, because I think once they hit that retirement age, they're probably working because they want to or they need to. If they need to, then maybe the tax credit will keep them around, but if they want to be here, they'll be here anyway.

Ultimately, any time you can keep some extra money in their pockets, it helps, but I don't think this would have a big effect on how many would stay around at this point.

• (1655)

[Translation]

**Mr. Xavier Barsalou-Duval:** Thank you.

Ms. Splinter, you mentioned earlier that you facilitate the process of recruiting foreign workers, particularly in the trucking industry.

Is processing time an issue? Employers often report being discouraged by the slow process.

Do you have any comments on this?

[English]

**Mrs. Angela Splinter:** I would agree, absolutely. The process time is a concern. It takes a long time. These employers have invested in finding these drivers. They've even gone overseas to meet them, and then it could take up to a year, and then they lose that driver. They're losing money on those recruitment efforts as well.

[Translation]

**The Chair:** You have 15 seconds left.

**Mr. Xavier Barsalou-Duval:** Thank you.

**The Chair:** Thank you very much.

[English]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.



Mr. Julien, a lot of the focus from the federal government has been on attracting and hiring new security screeners for our airports. You mentioned this in your introduction.

You also mentioned the challenge of retaining good people if we don't address the conditions of work at our airports. Are you hearing from your members, especially members who have been hired more recently, that this is already a concern—that there's going to be difficulty in retaining the workers who have been hired over the past number of months in the pandemic?

[Translation]

**Mr. Luc Julien:** Yes, that is the case now.

I don't know the exact workforce retention rate, but I do know that we would have to hire a number of employees to get a sufficient pool of workers in a few months.

If we hire 30 people, it would be surprising if they were all still with us in six months. That's not the situation at the airports I know. We have to hire a lot of employees to make sure we retain some of them for the long term.

[English]

**Mr. Taylor Bachrach:** Among the work conditions that are a concern, which would you say is the biggest concern for your members? Is it compensation? Is it the percentage of new workers versus experienced workers? Is it some of the concerns we've heard around access to breaks during the day? What is the number one concern when it comes to conditions of work?

[Translation]

**Mr. Luc Julien:** Apart from salary conditions, insurance and the pension plan, it is mostly about the pressure they have to endure and the rotating schedules, which vary according to operational needs. This makes it difficult for many officers to balance work and family. There is much that could be done with regard to scheduling.

In addition, breaks are limited. Because airports are large, breaks should be facilitated. This is a significant issue for members.

[English]

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

**The Chair:** Thank you very much, Mr. Bachrach.

Next we have Ms. Lewis.

I'd like to welcome you as well to committee. The floor is yours for five minutes.

**Ms. Leslyn Lewis (Haldimand—Norfolk, CPC):** Thank you, Mr. Chair. My first question will be for Ms. Frost.

Is it correct that your industry provides around 12% of the world's fertilizer supply and that Canada is the largest exporter of potash? If that is correct, are there any existing government policies relating to farming, labour and transportation that are preventing Canada from supplying their own fertilizer needs and exporting their product abroad?

**Mrs. Nadine Frost:** Thanks so much for the question.

Indeed, you've done your homework correctly, Ms. Lewis. Canada is a major supplier globally of fertilizer, and it does ac-

count for 12% of the global supply. A big part of that by volume is potash fertilizer, which is mined in the province of Saskatchewan. Canada, as I mentioned in my remarks, exports 95% of potash fertilizer. We are the number one exporter of potash fertilizer. A lot of countries around the world depend on Canada for that as an important agricultural input.

With regard to the second part of your question, I think that as it relates to the study this committee is working on, fertilizer doesn't do very much good in a warehouse. It needs to get into fields to be useful. That's important and critical, both for Canadian farmers and for the farmers around the world who depend on Canada as a supplier.

I think our industry is really dependent on the reliability of our transportation network, a lot of which does depend on labour and access to labour, in order to be able to get these goods to market within Canada and around the world.

I appreciate your emphasis on the importance of that.

• (1700)

**Ms. Leslyn Lewis:** What would you say the financial impact on the fertilizer industry is if you are unable to get your product to market? What would you estimate the financial loss to be if you were to quantify that?

**Mrs. Nadine Frost:** I don't think I have a single number for you, because it really depends on the timing.

As I mentioned in my opening remarks, there are a couple of critical windows in the spring and fall when fertilizer is applied each year. If there are disruptions in the supply chain in the spring or fall or leading into those seasons, they have a disproportionately high impact not only from an economic perspective but also for the downstream users of our products.

The export of fertilizer is a little bit more continuous in terms of impacts. If there's a rail disruption, we can look at the number of days or weeks when that's impacting the ability for goods to be moved to export markets. We've done analyses and assessments in the past when there were rail disruptions and supply disruptions. If there's a one-day labour strike that's impacting service at a class 1 railway, that's not a one-day impact to those users of the railway. It's one to two weeks of disruptions, because, as has been mentioned by some of the other experts here, the disruptions don't start the day the strike is called; they start two weeks ahead of time, when service is being curtailed and products are being pulled off the rails.

**Ms. Leslyn Lewis:** However, there can be a significant financial impact.

**Mrs. Nadine Frost:** Absolutely, yes. In terms of quantifying that, it's very dependent on the situation, but the financial impact could be huge.

**Ms. Leslyn Lewis:** Thank you.

My next question is for Ms. Splinter.

You spoke about the gap in labour for truck drivers. Is this a 1,000-, 5,000- or 20,000-person shortage? What is the number of truck drivers you need in order to fill that gap?

**Mrs. Angela Splinter:** The vacancy is 28,000-plus right now. As of today, we're short that many truck drivers.

**Ms. Leslyn Lewis:** Did you say 28,000?

**Mrs. Angela Splinter:** Yes. It's 28,210. That's the number of vacancies today.

As was mentioned earlier, the challenge there is that those vacancies have been posted for 90 days or longer, which means we're in a state of constantly recruiting, so even when we get that one driver, we're still behind. We're not moving forward in terms of addressing that shortage.

In terms of the projected shortages, those came from our labour market information work from 2019, and those projections were from before COVID. We are now looking to update that information based on the census data, which will be coming out in November, so that we can get a more accurate number.

Craig, you may have more to say in terms of some of the projections.

**Ms. Leslyn Lewis:** I asked that question because we were talking about anticipated shortages—

**The Chair:** I'm sorry, Ms. Lewis. Your time is up, unfortunately.

Thank you, Ms. Splinter.

**Mr. Chris Lewis (Essex, CPC):** That was a fast five minutes.

**The Chair:** Well, it was five minutes and 10 seconds.

**Mr. Chris Lewis:** I was just teasing.

**A voice:** It goes quickly.

**The Chair:** It does indeed go quickly.

Mr. Iacono, you are next. The floor is yours. You have five minutes.

[*Translation*]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Mr. Chair.

I thank the witnesses for joining us today.

My first question is for Ms. Frost.

Ms. Frost, to what extent can greater automation and technological improvements play a role in addressing the problems created by labour shortages?

[*English*]

**The Chair:** Would anybody like to answer that question?

**Mr. Angelo Iacono:** I addressed it to Ms. Frost.

**Mrs. Nadine Frost:** In terms of the future of the transportation sector and how automation has a role in that, I think it really does come down to the supply chain players themselves as to how that gets integrated into their workforce, so I would really defer to the expertise of folks working within the trucking and rail industries.

I think from our end, in the fertilizer sector, it's really about the levels of service received from the supply chain players but also about the reliability and redundancy of the system. If automation can support that in a safe, secure and efficient way, then definitely I think it's something to be considered going forward.

• (1705)

[*Translation*]

**Mr. Angelo Iacono:** Thank you.

Ms. Splinter, can you tell us if there are any programs in Canada or abroad that have addressed labour shortages in the transportation sector that could serve as models?

[*English*]

**Mrs. Angela Splinter:** Yes. I think Canada has a unique situation in terms of addressing our shortage in particular, but I can share one example of getting more women into the trucking industry. During the pandemic in the U.K., there was an increase in women becoming courier drivers, clearly responding to that demand. It was a nine-to-five job. It was very accommodating. They've used that initiative to then reach more women, encouraging them and letting them know they can make a higher wage if they transition into long-haul truck driving.

That's one example of an international initiative. I think it's an interesting point that we should look at further to identify some other innovative best practices we could learn from.

[*Translation*]

**Mr. Angelo Iacono:** Thank you.

My last question is for Mr. Millian.

Mr. Millian, how similar are the situations in Canada and the United States with respect to labour shortages in the transportation sector?

[*English*]

**Mr. Michael Millian:** Thank you for the question. I don't have the exact numbers in front of me on the U.S. shortage, but I believe the last numbers they put out indicated that their shortage was around 300,000 drivers. Now, keep in mind that we have 30,000 drivers and they have, I believe, a bit over three million drivers, but yes, they're seeing the same types of shortages for the truck driving community and industry down there that we are seeing up here.

[Translation]

**Mr. Angelo Iacono:** Thank you.

Would any other witnesses like to comment?

[English]

**The Chair:** Go ahead, Ms. Splinter.

**Mrs. Angela Splinter:** It's an interesting question. It is a larger shortage simply in terms of scale in the United States. What we've seen is that shortages in the United States are different, in that turnover seems to be an acceptable business practice in the U.S., whereas it isn't in Canada. They simply accept it as a cost of doing business, which I think has other implications.

Again, we have employers who are looking to treat their workers well, and they want to reduce turnover, so I think we have some opportunities to work with them.

[Translation]

**Mr. Angelo Iacono:** Thank you.

I have no further questions, Mr. Chair.

**The Chair:** Thank you very much, Mr. Iacono.

[English]

Next we have Mr. Lewis.

Mr. Lewis, the floor is yours. Welcome to committee for the first time. You have five minutes.

**Mr. Chris Lewis:** Thank you very much, Chair.

To the rest of my committee colleagues here, I'm excited to be here.

I'm listening with great interest this afternoon. I was on the international trade committee previous to this. Ironically, we just finished a study on ArriveCAN and we were in the middle of a study on shipping containers, or the lack thereof. I visited Taiwan last week with Mr. Iacono, and we visited the port of Taipei. I bring that up because all of these various things tie back into one thing and one thing only, and that is labour and skilled trades. Of course, since I am shadow minister for labour, now you really have my attention. I know we have a lot of work to do on that side.

The first question I have is, I suppose, for Ms. Splinter.

How long does it take to get somebody trained, such that they are able to drive anywhere in Canada, including in the Rockies, for example?

**Mrs. Angela Splinter:** Well, it varies. For one thing, entry-level training has different requirements in each province, but on average, as Mike mentioned, to get your commercial driver's licence, it's around 100 to 110 hours.

Then there's an onboarding program. Once that individual has their commercial driver's licence, then each employer has their own onboarding finishing program, which is endorsed by whichever insurer they're using. Those vary from four weeks to six weeks, and some of them even go for as long as three months. What we want to do is get some consistency around that occupational-level training.

When I say those times vary, we also need to keep in mind that there are some fleets that do no onboarding or finishing programs. They allow an individual with a commercial driver's licence to get working, and that's obviously a concern. This is why we want to look at getting consistency on what that occupational-level training could look like, so that it's the same across the board and insurance buys into it.

The other factor I will mention is that this onboarding varies from company to company, so if you work at one company and you've done their finishing and onboarding program, when you move to another company, you are back at square one. That's the other concern, because that has a direct impact on productivity.

● (1710)

**Mr. Chris Lewis:** Thank you for that answer. I guess what you're telling me is there is no standard.

**Ms. Angela Splinter:** That's right.

**Mr. Chris Lewis:** There is no Canadian standard. If there were a standard, are there enough schools to train these folks?

**Mrs. Angela Splinter:** Yes.

**Mr. Chris Lewis:** There are enough.

**Mrs. Angela Splinter:** There are training schools. Some are better than others, but what we see a lot of right now is that trucking companies are partnering specifically with certain training schools or they have developed their own in-house training programs. They develop their own programs. They train in-house.

**Mr. Chris Lewis:** Thank you, Ms. Splinter.

Mr. Chair, through you to Mr. Julien, do unions serve a purpose in recruiting and maintaining sufficient levels of employment? How can a union assist an employer in seeing they do not go short-staffed?

[Translation]

**Mr. Luc Julien:** The key factor that enables unions to provide employers with guidance is the fact that we know what people need.

Of course, there is the financial aspect, but there is also the quality of life aspect. Unions are often mobilized when people have problems in their workplace. So if we work together—employers and unions—to improve not only benefits, but also the onboarding of new employees, training, scheduling and vacation time, for example, that will not only attract new people, but also help retain them over time.

[English]

**Mr. Chris Lewis:** Thank you very much, Mr. Julien.

Through you, Mr. Chair, to Mr. Millian—I have 55 seconds left, sir—what can be done in terms of youth recruitment into the transportation industry? Would engaging more young Canadians be sufficient for acquiring labour? We have heard that women are a group we should be targeting. Are there other groups we should be targeting as well?

You have 35 seconds.

**Mr. Michael Millian:** Thank you for the question.

What can be done for youth is to make sure they understand that there's a viable career path there and that they're actually going to be able to get a job when they get through. A lot of them right now, even if they know there's a path, don't go through the training at 18 years old because they know it's unlikely that they're going to be hired.

On other groups we can access in addition to women, who represent only 3% of our workforce, indigenous groups and other under-represented groups in our industry are certainly ones that we need to reach out to and encourage to get into this industry.

**Mr. Chris Lewis:** Thank you.

**The Chair:** Thank you very much, Mr. Lewis.

Next we have Mr. Rogers. Mr. Rogers, the floor is yours. You have five minutes.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Chair.

Welcome to all our guests today. I commented to them when they entered the room that it's nice to see people in person again. It's been a long time since we've seen this many guests sitting at the end of the table. Welcome, all.

I want to focus on trucking and truckers because, as you know, of course, in Newfoundland and Labrador we have no trains on the island and are surrounded by water, so we depend heavily on the boating industry, the airline industry and on the trucking industry to deliver. I know that during the first year of the pandemic, for example, people realized the value that they bring in terms of the supply of groceries to the island and medical supplies and on and on. That certainly elevated the profile and the importance of truckers in the province, and people appreciated the extra effort they put in to get things done.

Considering the shortages we have—30,000 plus—how is industry promoting careers in these fields? What could they be doing better?

I'll go to Mrs. Splinter and then maybe to Mr. Millian.

**Mrs. Angela Splinter:** Thank you.

We actually did the research on this. We did research on what millennials think of our industry and what would attract them to our industry. What we learned through that research is that there is a pool of workers who are interested in working in trucking and logistics and we just need to reach them better.

We need to reach them where they're most comfortable: on social media. The Canadian Trucking Alliance is embarking on an image campaign to address those issues by reaching them in those places

and highlighting the themes that we know will resonate with them by promoting those positions that could offer more work-life balance and freedom on the road and addressing up front some of the concerns around our environmental impact. We're really working to better connect with them. That is one example.

As I mentioned earlier in terms of bringing them in, we also know that the cost of training is a barrier. As we learned through that research, we're losing that pool of young workers who would be interested in our industry to other industries like construction and like-minded occupations, because they could start working tomorrow in construction and they wouldn't have the barrier of the training costs that our industry poses.

In terms of women, we're embarking on new research to better identify how we can bring in more women. I did present that one example of women who were coming in as courier drivers. We have seen a large courier company adopt that model. It's a small number of women they're bringing in as truck drivers, but it's something that's working. I think we need to continue to look at these approaches.

The other one I will mention with young people and women is that we need to be upfront and address the myth that trucks will be driving themselves. Clearly, they're not driving themselves. We need to address that and ensure everyone is aware that this is a viable occupation for the next long time. I can't say exactly how much, because technology may come in, of course, but it certainly is a viable occupation over the longer term.

• (1715)

**Mr. Churence Rogers:** Thanks so much. You've answered a number of my questions.

Mr. Millian, do you want to comment on that?

**Mr. Michael Millian:** Yes, thanks.

I won't repeat that in the interest of—

I'm getting a big echo here. Is everybody else getting that, or is it just me?

**The Chair:** Mr. Rogers, can you shut your microphone off, please? Maybe that will solve the problem.

Mr. Millian, do you want to try again to see if the echo is still there?

**Mr. Michael Millian:** Yes, that's much better. That's perfect.

I won't repeat what Angela said, in the interest of time. I agree with everything she said.

There are a couple of things I believe we need government to do. For years there's been a big concern in this industry that there are not enough adequate, safe and secure parking facilities for truck drivers going across the country. This is an issue of safety for them because they can't find the places to pull over and properly get rest. The government needs to work together on providing parking facility infrastructure so drivers can get proper rest.

What can we, as an industry, do? We need to get out to the schools earlier. We can't start going to the schools when students are 17 or 18 years old, because in a lot of cases they may have already chosen a career path. We need to start getting out into the elementary schools and into the first part of high school and let the kids know a little earlier what the positives are and what the career path is. Then those conversations can happen with their parents at home. That's one thing we can do.

As an industry, we have to start to change our pay structure. We have to start paying more people by the hour and remove the pay by percentage and by mile or kilometre. I think having more consistent pay models for whichever industry someone is in would help us a lot in attracting new people.

Angela mentioned the funding. We certainly need that. On the autonomous feature, I fully agree with her. I think we need to use the autonomous feature to help recruit the younger generation. I don't like to call it "autonomous"; I like to call it "driver-assisted". The younger generation is excited by technology. They may not want to stare out a windshield for ten hours a day, but if they know that the vehicle is being more automated and they're there more as a pilot on a plane—not now but down the road—and that their job is going to involve other tasks, that may make them more excited about getting into the industry. That's something I believe we have to start promoting and putting out there more often.

**The Chair:** Thank you very much, Mr. Rogers. Thank you, Mr. Millian.

Next we have Mr. Barsalou-Duval.

[*Translation*]

Mr. Barsalou-Duval, you have two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Mr. Julien, I heard you talk a lot earlier about how the people you represent were under pressure or found that they had a heavy workload, which diminished their quality of life. You were saying that it made that kind of job less attractive.

Are there any new technologies that would make it easier for these people to do their jobs and thereby help keep them around longer?

• (1720)

**Mr. Luc Julien:** Many technologies have already been added to airports, such as body scanners. However, the fact remains that the final check is done by humans putting questions to other humans. So while technology can make the job of screening officers easier, I don't think it can replace them, because it's all about judgment.

**Mr. Xavier Barsalou-Duval:** I will ask Ms. Splinter the same question.

Do you think technological improvements could make life easier for workers in the trucking industry?

[*English*]

**Mrs. Angela Splinter:** Absolutely. It already is. As Mike mentioned, we are seeing more driver-assist technology. We're seeing touchless technologies that came into play during COVID, and they are constantly improving. Anything that makes their job easier and

makes the occupation and the truck driver more productive benefits all of us.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Some jobs involve a specific task, but there are also so many related tasks that people end up wasting time, not spending it on their primary task. Truck drivers, for example, could spend more time driving than doing other tasks.

Are there examples of such tasks that affect them?

In this case, perhaps Mr. Millian would be best suited to answer.

[*English*]

**Mr. Michael Millian:** Distracted driving is an issue in society. I think we're all aware of that. Distracted driving is also going to be an issue in the trucking industry.

These are professional drivers. They are trained better and trained to understand the risks, but truck drivers are part of society. If we thought that truck drivers weren't out there driving distracted from time to time as well, I think we'd be mistaken.

I don't think it's as prevalent as it is with car drivers, but it's still an issue. There are technologies that can help with that. There are cameras that can face forward and inward, which only activate when there are issues, but they can help spot when a driver's tasks are not focused on the road. It is very difficult when you're driving 10 hours a day—staring out a windshield, driving down a road—to stay focused. I think all of us who drive a car can understand that. There definitely are technologies we can use.

That is a task. The driver's primary task is driving, and it's one that likely allows for the most distraction because of the nature of the job.

**The Chair:** Thank you very much, Mr. Millian. Unfortunately, we're out of time.

Mr. Bachrach, you have two and a half minutes. The floor is yours.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

To conclude my questions, Mr. Julien, we're in October and the minister says everything is heading in the right direction, but the conditions you describe still haven't been adequately dealt with. How do the next six months or a year look, in your opinion, if the issues you've raised aren't addressed?

[*Translation*]

**Mr. Luc Julien:** In my opinion, if we don't change course in the negotiations on the working conditions of all screening officers in Canada, we will almost certainly go through the same scenario as last summer, as the conditions are the same. There was a reason for the labour shortage that we experienced last summer. It remains the same today and, if nothing changes, it will remain the same over the coming months.

[*English*]

**Mr. Taylor Bachrach:** Mr. Chair, I'm going to switch gears very quickly as we conclude the meeting and ask a question of the two witnesses representing the trucking industry.

At our previous meeting, we had a bunch of witnesses from your industry talking about something they called “Driver Inc.,” whereby trucking companies compel new drivers to form their own little corporations. This phenomenon is actually driving down and eroding the attractiveness of the occupation.

This isn't something that you addressed in your presentations or in your answers to the questions. Do you share the concern around this attempt, shall we call it, by the companies to off-load some of their responsibilities around compensation and benefits?

**Mrs. Angela Splinter:** Yes, absolutely. We need to end Driver Inc. It is a serious concern within our industry.

I believe you've already heard about that and some of the implications it has for legitimate trucking companies. What I would add is that I think the committee members should take note of the billions of dollars of tax revenue that are lost because there's no tax being paid.

Additionally, the rights of these workers are in jeopardy. They are not in safe work environments. They have no insurance and they have no access to any social programs because they have not paid into them, and from an HR perspective, I think that is also very concerning.

• (1725)

**Mr. Taylor Bachrach:** Thank you, Ms. Splinter.

I think Mr. Millian wanted to weigh in very briefly.

**The Chair:** You have 15 seconds, Mr. Millian, please.

**Mr. Michael Millian:** I 100% agree. It's a massive issue. They prey on people who really don't have a lot of understanding about the tax implications that they're getting into, the fact that they don't have vacation time, and that if they get hurt, there's no unemployment insurance.

Also, these companies charge lower rates because they're not compliant, and they make it harder for the compliant industry to compete and stay in business. It puts a terrible stain on the image of our industry.

**The Chair:** Thank you, Mr. Millian. Thank you, Mr. Bachrach.

Next we have Mr. Strahl. Mr. Strahl, the floor is yours for five minutes.

**Mr. Mark Strahl:** Thank you very much.

I want to go back to the free and secure trade issue, the FAST express issue that was raised by Mr. Millian. I was just on the CBSA website, and it says:

NEXUS and FAST interviews have resumed at enrolment centres in the U.S. Canadian NEXUS and FAST enrolment centres remain closed. All applicants, including Canadian citizens and Permanent Residents, wishing to schedule interviews can do so at their nearest U.S. enrolment centre through the Trusted Traveller portal.

We are past the time when these enrolment centres should be up and running.

Mr. Millian and Ms. Splinter, would you agree with the Conservative recommendation that the government order those staff back to work in person so that they can conduct those interviews and

serve the public in Canada and not force them to head to the U.S. enrolment centres to do that job?

**Mr. Michael Millian:** Yes, but there's one thing I want to clarify, though, just so we're aware. The ones on the Canadian side of the border are U.S. officers who come over here and do those interviews, so the issue really is the Canadian government and the U.S. government and trying to figure out some sort of reason to get the U.S. officers back here.

At the land border, for a Canadian crossing into the U.S., they actually do their interviews on the U.S. side of the border. For an American coming into Canada, they do their interviews on the Canadian side of the border, with their officers being over here. On that, there's been some political tie-up up top that is preventing this from happening in our country.

**Mr. Mark Strahl:** Okay.

Ms. Splinter, do you have the same issue and the same concern with that program?

**Mrs. Angela Splinter:** In the work we do, I'm not involved on border issues. The only thing I would add is simply that anything that can help alleviate the issues and the bottlenecks is needed.

**Mr. Mark Strahl:** I want to go to our agricultural folks, who have been sitting patiently there for a long time.

I was told that CP Rail only met 61% of hopper car commitments the week before Thanksgiving. Was that a labour issue? It certainly wasn't a weather issue in my neck of the woods. Have you had an explanation as to why that number has reduced, and what worries does that number give you, given that the weather has been stable and warmer than average, certainly in British Columbia? What are you hearing about that, and are you concerned about it?

We've heard that 12 labour contracts are expiring—eight of them by the end of the year, I understand. Could you talk about that? That number was quite a bit lower than the week before, and I wonder if there was a labour component to it.

**Mr. Dave Carey:** I'll start and then ask Steve weigh in.

CP moves roughly 50% of all grain from the Prairies to the port of Vancouver. October, November and December are big months for moving grain, so that is certainly a concerning signal.

I'll ask Steve if he has any more details as to the causes, because there was no labour issue or inclement weather, to my knowledge.

**Mr. Steve Pratte:** That's right. I would say that for those of us in the industry who watch and monitor this and analyze it, there's no one specific thing that can be pointed to. The now four weeks of kind of suboptimal performance is leaving analysts scratching our heads as to why, but certainly, as you noted, we've had four weeks now of some disappointing service from CP. As we are in that peak movement period, it is starting to become troubling and is getting more people's attention.

**Mr. Mark Strahl:** Obviously there is always a push and pull between companies and unions. Obviously, the closer it gets to the end of a contract, the more leverage a union has, and there's maybe not the incentive for a company to negotiate until those contracts are almost up.

How hopeful are you? What signs are you hearing from both the rail companies and the unions that they both understand the catastrophic impact that a work stoppage would have on the Canadian economy and supply chains? Are they close? What is the anticipation as those contracts are set to expire at the end of the year?

• (1730)

**Mr. Dave Carey:** We are concerned that there will be additional instability in the labour industry. As has been noted, it's not the date of stoppage; you start curtailing operations a week or so leading up to it. A week of downed rail capacity can mean a month to recover.

I'll see if Steve has anything more specific to answer, but I'm certainly concerned when we have that many happening. We would obviously like to see longer durations of labour contracts to provide some more stability, because we export about 60% of the world's supply of canola.

Australia is our biggest competitor in the Indo-Pacific region. They have a huge geographic advantage on us, and we've had significant deterioration of our international reputation as a shipper because of these things, whether it's rail blockades or labour shortages.

Steve, do you have anything else to add?

**Mr. Steve Pratte:** A number of these contracts come up in any given year. It's only occasionally that they get to the point of an actual labour action. We've seen back-to-work legislation several times in the last 50 years or 60 years, most recently in 2012. It's certainly, again, getting to that point....

With regard to reverberations, as we talked about in our testimony, the second and third order effects are not good for anyone and are certainly not good for the country as a whole. Again, this is one area that's within our control as humans and as individuals. I think we need to think about ways to respect the law but still provide that confidence in our reputation not only to our shippers but also to our international customers.

**The Chair:** Thank you very much, Mr. Pratte.

Thank you very much, Mr. Strahl.

Finally for today, we have Mr. El-Khoury.

Mr. El-Khoury, the floor is yours. You have five minutes.

[*Translation*]

**Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.):** Thank you, Mr. Chair.

I welcome our esteemed witnesses. I thank them for agreeing to come before our committee, answer our questions and give us recommendations.

My first question is for Mr. Pratte.

Mr. Pratte, how can we further incentivize under-represented demographic groups to pursue a career in the transportation sector?

What discourages them from doing so, and what should be changed to attract them to this field?

[*English*]

**Mr. Steve Pratte:** I believe that question is directed towards me.

I really think that this is not my area of expertise, so—

**Mr. Fayçal El-Khoury:** Okay.

Is there anyone who could answer this question, please? I could repeat it in English if it's necessary.

**Mrs. Angela Splinter:** No, I understand. You're asking how we can better attract under-represented groups into transportation occupations: women, youth, visible minorities.

I think there's a lot of work that we've done in this area. I've cited some of our youth research already and more work that we can do around women.

The research that we have done is very specific to our sector, so I think it might be worthwhile listening to some other sectors, because they could have some different insights to offer, but for us, it's those perennial issues, those perennial perceptual issues, that we continue to face. I think we need to keep addressing those head-on, which we are looking to do, as I mentioned, with our image campaign and other initiatives.

**Mr. Fayçal El-Khoury:** Madam Gowriluk, you said in your presentation that the transportation system is very critical to our agriculture system. Is it equally critical in air, land and sea? We know that Canada is a very active international exporting country. I would like to know the other effects, such as sea and air.

Besides that, you have added that you need a “robust strategy” in order to tackle this problem. Can you illustrate to this committee what you mean exactly by a robust strategy? I would like to understand more about it, please.

• (1735)

**Ms. Erin Gowriluk:** With respect to your first question in terms of how meaningful it is to Canadian farmers, Canadian farmers get paid when they deliver their grain. With the inability to deliver their grain to domestic and international markets, they don't get paid, so it's vitally critical for our Canadian farmers and for rural economies.

In terms of what the solution is around a robust strategy, I wouldn't be in a position to speak specifically to what that might look like, but I do think that we have a solid recommendation that was articulated in the final report issued by the task force, and that is around the formation of a council of experts that would report to the labour minister.

I think agriculture should have at least one representative at that table to inform that conversation, because I think back to Mr. Pratte's point: We can't continue to look at some of these issues related to work stoppages one at a time when we're facing 12 over the course of a two-year period. We require what the report says is a fundamental paradigm shift in the way in which we're dealing with these stoppages.

I think we should be relying on experts—I don't know that I would specifically be one of those individuals—to think more strategically in terms of how we can tackle this, because doing this one at a time and suffering the consequences.... I think it was Mr. Carey who indicated that every single time there's even a threat of a work stoppage, the Canadian economy begins to shut down as preparations are made to prepare for that work stoppage.

Something has to be done and, I would suggest, sooner rather than later.

**Mr. Fayçal El-Khoury:** Mr. Carey, do you have anything to add to what Madam Gowriluk said?

**Mr. Dave Carey:** I fully agree. It's integrated. We need trucks to get the grain from farm to elevator. We need the rail to get from elevator to port and then we need ships to be able to take it to the final destination.

As far as what we should do goes, as your colleague Mr. Badawey said at the outset, there are dozens of great reports. This is the newest one. It's about not weighing down shelves: It's about implementing and taking action on the recommendations. In theirs, the supply chain task force has a lot of really good recommendations from supply chain experts.

My hope is that with the study of this committee and others, we will start implementing, taking action and doing something. In terms of agriculture, it would be a huge opportunity to grow our exports and help feed the world in a time of global insecurity, but our capacity to move what we have now is limited. In agriculture, we're looking at 2% to 3% increases in yield year over year.

Looking at the long term, are we going to be able to move more down the road? I think that leaves us all in a precarious position. We need to start taking action. There are a lot of good reports that are ready to be taken into action, but they require leadership and accountability.

**Mr. Fayçal El-Khoury:** Thank you—

**The Chair:** Thank you very much, Mr. El-Khoury. Unfortunately, your time is up.

**Mr. Fayçal El-Khoury:** Already?

**The Chair:** I know. It goes quickly.

Thank you very much, Mr. Carey.

On behalf of this committee, I would like to thank all witnesses for their testimony today and for contributing to this very important study on the strength and the future of the Canadian economy in the short and the long terms.

With that, I wish you all a wonderful evening. This meeting is adjourned.

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