



SUBMISSION TO NATIONAL SUPPLY CHAIN TASK FORCE

14 July 2022

INTRODUCTION

The Shipping Federation of Canada, which was incorporated by an Act of Parliament in 1903, is the national voice of the owners, operators and agents of ocean ships that carry Canada's international trade between Canadian ports and markets throughout the world. Our seventy member companies represent over 200 shipping lines whose vessels carry a wide array of imports and exports, ranging from dry bulk commodities such as grain, coal and iron ore – to liquid bulks such as crude oil, oil products and renewables – to containerized consumer and manufactured goods.

All of our members' ships are foreign-flagged, underscoring the fact that Canada is wholly reliant on the international fleet to carry its waterborne trade, as it does not have a policy approach that supports the ability of its domestic fleet to compete internationally. Indeed, international shipping carries the vast majority of Canada's overseas trade and thus plays an essential role in the Canadian economy and the prosperity of all Canadians.

As key supply chain stakeholders, we are very interested in the work of the National Supply Chain Task Force and appreciate the opportunity to provide input on a number of key challenges in the transportation network that connects Canadian importers and exporters to world markets. It is worth noting that although many of these challenges existed well before the Covid-19 pandemic, their impacts were significantly exacerbated by the unprecedented surge in demand for imported consumer goods that the pandemic unleashed, and the resulting pressure this placed on the global transportation system overall.

In particular, the sustained surge in demand that began in mid 2020 served to amplify pre-existing deficits in Canada's port, terminal, drayage and rail infrastructure and operations, with the resulting impacts reverberating across the highly interconnected transportation network. From an ocean carrier perspective, this meant that regardless of the record number of ships that were deployed to meet the surge, the total capacity of the global fleet was inherently limited by the ability of the marine terminal and related landside infrastructure to unload, load, store and transfer the cargo and containers on board, leading to impacts on key ocean metrics such as vessel arrival times, schedule reliability and the number of blanked or cancelled sailings.

Although the easing of the pandemic and gradual return to a more normal demand environment will help mitigate these impacts to some degree, there are no quick fixes to the underlying, systemic issues that the pandemic may have amplified, but by no means created. Indeed, it is our view that Canada needs a comprehensive, national strategy to address its supply chain challenges, with a view to optimizing operations for all stakeholders – from Canada's exporters and importers to its transportation service providers - in a world that is continuously evolving, often unpredictable and periodically marked by high levels of volatility. Towards that end, we submit the following package of comments and recommendations for the Task Force's consideration.

1. TRADE AND TRANSPORTATION INFRASTRUCTURE

a) Planning for Investment:

If there is a single action that the majority of Canada's supply chain stakeholders would likely agree on as a priority action, it is the development of a coordinated, national plan to guide Canada's future decisions regarding investment in trade-enabling infrastructure. This is particularly important given the extent to which the Canadian economy is dependent on a well-developed, fluid and efficient transportation system to provide vital linkages to global markets. In order to be truly meaningful and effective, such a plan must be based on two main elements:

- First, decisions regarding infrastructure investment must have a clear connection to Canada's trade growth and export diversification agenda, with key inputs for the decision-making process including the development and location of new markets, projections regarding future import and export volumes, and the identification of new commodities / product types and their related transportation needs.

This means that infrastructure planning should be closely linked to the opportunities presented by existing trade instruments, including the CETA agreement with the European Union, the Trans-Pacific partnership agreement with the Asia-Pacific region, and numerous bilateral agreements with individual countries. The planning process should equally take into account the status of negotiations for future agreements, including those that are currently underway with the MERCOSUR trading block (encompassing Argentina, Brazil, Uruguay and Paraguay), the ASEAN free trade area (encompassing eleven countries in southeast Asia), and the CARIMOM community (encompassing the nations of the Caribbean), as well as with individual countries such as India, Indonesia and Japan, among others.

- Just as importantly, investment decisions must be under-pinned by an understanding of all available capacity in the transportation network (both actual and potential) and all chokepoints and vulnerabilities within the network's key trade corridors. Although this will require a significant amount of front-end work and analysis in order to obtain the necessary metrics, we believe it would be impossible (and ultimately pointless) to develop a meaningful infrastructure investment plan without this critical level of information.

Although the government often cites the National Trade Corridors Fund (NTCF) as evidence that it already has a strategic, trade-oriented approach to infrastructure development, we believe that funding allocations under the NTCF are made in a highly piecemeal manner, with no mechanism for demonstrating how a given project will contribute to the country's trade objectives and related infrastructure needs, or for evaluating such contribution after the project has been operationalized. We would therefore suggest that as part of the effort to develop a national infrastructure plan for Canada, Transport Canada conduct a comprehensive review of the projects that have been built under the NTCF to date, with a view to evaluating each project's role and performance within a given trade corridor from both a transportation and a trade perspective – and then using the resulting information as additional input to help guide the development of the new plan.

b) Timeliness of Decision-Making:

We also believe it is imperative that the above-noted plan address the matter of timeliness in infrastructure investment, especially as relates to major projects with significant national benefits. An issue that is of particular concern in this respect is the disconnect that appears to exist between the timelines of the current environmental assessment process led by the Impact Assessment Agency of Canada (IAAC), and the timelines of the projects being assessed in terms of trade and transportation need and / or urgency. More specifically, it is our view that the current IAAC process lacks predictability, consistency and a clear pathway to completion, which can serve as an impediment to Canada's ability to meet its trade infrastructure needs in a timely and effective manner.

Perhaps the most illustrative example of this disconnect is the proposed construction of a new container terminal at the Port of Vancouver (the Deltaport T2 project) which is designed to accommodate a projected increase of between 2.1 and 3.7 percent in containerized trade at Canada's west coast ports over the next two decades (according to figures provided by the port in 2018). This projection aligns with long-term trends in global markets and trade, as well as Canada's ongoing efforts to implement an ambitious trade growth agenda that is strongly focused on increasing trade with Asian markets and diversifying its current export strategy. Although the addition of new terminal capacity at the Port of Vancouver is essential to ensuring its ability to capitalize on this projected growth, the project's progress is contingent on completion of an environmental assessment process that has been ongoing since 2013 and still has no clear end in sight. Indeed, even under the port's best-case scenario (which is based on very little certainty), the earliest that T2 could be operational is 2030 – a full seventeen years after the assessment process was first launched.

Another example of the disconnect between assessment and need is CN's proposed construction of an intermodal logistics hub in Milton, Ontario, which would supplement the capacity that is currently available at the Brampton Intermodal Terminal by almost 50 percent (with Milton handling 450,000 container units per year once fully operational to Brampton's 1 million container units per year). The project would also extend CN's existing mainline, provide new areas for short-term container storage, and allow for the handling of four intermodal trains per day. Although the project was approved by the federal government in January 2021, the IAAC set out a record 365 conditions that CN is required to fulfill, and there is currently no clear timeline as to when the project may actually begin or when it could potentially become operational. The challenges this delay is creating are difficult to justify, and particularly so given the significant new capacity that the Milton facility would inject into the rail network, and the role this would play in alleviating the high and compounding levels of congestion being experienced in various parts of the intermodal network on a daily basis.

We fully understand the importance of ensuring that all major infrastructure projects are subject to a rigorous assessment process with respect to their potential environmental impacts, and that appropriate measures to mitigate those impacts are identified and implemented. This being said, it is counterproductive from a trade and economic perspective for the assessment process to unfold as if the project being assessed exists in a vacuum with respect to its need and anticipated contribution to the national transportation system. We appreciate that this is a challenging issue to address given the complex and sometimes divergent interests involved, and would therefore recommend that as a starting point, Transport Canada and Environment Canada convene a working group to review the current IAAC process and how it has worked to date, with a view to determining where improvements or adjustments could be made from both an environmental and trade perspective, and as relates to the timeliness of the process in particular.

Given that any effort to amend the IAAC process would likely be a complex task, we also recommend that the timeliness of the current assessment process be identified as a risk factor in Canada's new infrastructure investment plan, with respect to which appropriate contingency plans (identification of alternative capacity, etc.) should be developed in order to account for the possibility of a given project being significantly delayed or being denied approval altogether.

Trade and Transportation Infrastructure - Summary of Recommendations:

1. Develop a coordinated, national plan to guide Canada's future decisions regarding investment in trade-enabling infrastructure. This plan should be linked to Canada's trade and export diversification agenda and based on metrics regarding available capacity and key chokepoints / vulnerabilities in all of Canada's major trade corridors.
2. Conduct a comprehensive assessment of all projects built under the National Trade Corridors Fund to date, and use this data as input for developing the above-noted national infrastructure plan.
3. Establish a Transport Canada / Environment Canada working group to review the current environmental assessment process for major infrastructure projects conducted by the Impact Assessment Agency on Canada, with particular focus on how to improve the timeliness of the process overall.
4. Include the timeliness of the IAAC process as a risk element in Canada's new infrastructure plan, and develop contingencies as required.

2. SUPPLY CHAIN DATA AND DIGITIZATION

a) Strategic National Approach:

As noted above, ongoing sustained investment in trade-enabling infrastructure is an essential element of ensuring the health of our supply chains for the future. Equally important is the need to focus on investment in digital tools and platforms that enhance the ability of stakeholders to better manage and extract value from the huge volumes of data that flow through our supply chains on a daily basis. This is especially critical in a context where our ability to increase physical infrastructure is often constrained by factors such as a lack of space in congested urban areas, environmental concerns (as per above), or community pushback – and yet the need to derive every possible drop of efficiency from our transportation and logistics systems continues to grow.

A great deal of work has already occurred in the digitization realm over the last few years, and many trade chain partners – including ocean carriers, forwarders, ports and other service providers – have all developed digital tools and e-trade solutions that are specific to their operational realities and customer needs. However, we strongly believe that Canada needs a bolder vision and a more fully integrated, national approach to trade chain digitization – supported by a long-term strategy and appropriate funding – if our transportation system and supply chains are to fully benefit from the kinds of efficiency gains these platforms offer, particularly in a context where there is such a high premium on resilience and agility. The key objective of such a strategy should be aimed at connecting the digital platforms that

ports and other stakeholders have already built, with a view to leveraging the resulting benefits to optimize the performance of the system as a whole.

b) Leveraging Existing Models:

We believe that a potentially useful model in this respect is the Port Community System (PCS) model that has been implemented in other parts of the world in recent years (including in the European Union). The PCS concept is aimed at creating a more integrated and fluid logistics process by connecting the data transmission systems that are already operated by individual trade chain stakeholders into a single information hub operated on a digital platform. The data that flows through such a system can then be leveraged to gain better insight and visibility into the performance of specific trade corridors and transportation routes, making it easier to not only respond to efficiency challenges in real time, but to potentially predict and address such challenges before they occur.

We recommend that Canada work to advance a similar model through the implementation of supply chain digitization pilot projects in the Atlantic, St. Lawrence/Great Lakes and Pacific regions. The development of these pilots, which should be led by the major ports in each of the above-noted regions, will require a high level of collaboration between ports, various government agencies (including the Canada Border Services Agency) and their trade chain partners (pilots, tug operators, terminals, shipping lines, marine agencies, inland carriers, railways, etc.) - in order to assess how each partner's individual data transmission system (and data needs) can be integrated into a digital platform that can be leveraged for the benefit of the transportation system overall (in terms of gains in efficiency, safety, trade route competitiveness, etc.).

The implementation of these pilots should also serve as a gateway to the advancement of a "single window" reporting concept in Canada, by providing federal departments with a portal through which they can extract the specific data elements they require for border management purposes without the need for any additional reporting on the part of individual trade chain partners. It is worth noting that the International Maritime Organization (which is the U.N. agency that regulates maritime activity) has been championing the development of a single window model for the maritime mode for the past several years, through the *Convention on the Facilitation of International Maritime Traffic* (also known as the *FAL Convention*). Although Canada is signatory to the *FAL Convention*, we do not believe the government has taken a strong enough position with respect to its key provisions, especially as relates to moving forward on the maritime single window concept.

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| <p>Supply Chain Data and Digitization – Summary of Recommendations</p> <ol style="list-style-type: none">1. Develop a national approach to supply chain digitization aimed at connecting the digital platforms that ports and other stakeholders have already built. This approach should be supported by a long-term strategy and appropriate funding.2. Implement supply chain digitization pilot projects in the Atlantic, St. Lawrence/Great Lakes and Pacific regions based on the "port community system" model that is already in place in other parts of the world.3. Use the above-noted pilots as gateways to advancing the "maritime single window" concept in Canada, under which ships entering and departing Canadian waters could submit all government-required information electronically through a single portal without duplication. |
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3. RAIL EFFICIENCY AND CAPACITY

a) Current Context:

The efficiency and capacity of Canada's rail transportation system is of major interest from an ocean shipping perspective – and this is true whether an export cargo is being delivered to a marine terminal by rail for loading onto a ship, or whether an import cargo is being loaded onto a rail car after being unloaded from a ship. Whatever the type of cargo or type of ship involved, and regardless of whether the movement is on the import or export side, it is essential that rail be efficient and have the necessary carrying capacity to handle the cargo - even in surge situations. When this is not the case, it creates a domino effect on the entire chain, which generates delays and costs that are ultimately borne by the users of the trade route overall.

Canada's rail system has been subject to much review over the last decade, and we have seen the development of a range of solutions designed to improve the system's efficiency and capacity, from enhanced reporting requirements for the railways, to new and upgraded remedies for shippers with complaints about rail service, to new investigative powers for the Canadian Transportation Agency. Although a great deal of effort has been devoted to the implementation of these solutions, it is our view that their impact on the efficiency of the system has been limited at best, and that other, more systemic approaches to addressing issues within the rail network should be considered in order to address our current challenges.

b) Railways' Operational Model vs Need to Optimize Capacity:

Any effort to address rail freight issues from a systemic perspective must take into account the operational model under which Canada's major railways operate, which is based on reducing idle capacity, shedding unproductive assets, and optimizing operations across their networks (as opposed to optimizing operations to meet the needs of specific shippers). Although this has had a positive impact on the railways' financial performance and ability to attract capital for investment in infrastructure, it has raised questions regarding their ability to take concrete action to manage short-term constraints or respond to unexpected or unplanned events. Similarly, the railways' adherence to a "balanced flow" approach, under which the service provided on the main leg of the voyage must match the volume and type of cargo required for the backhaul, has often resulted in service not being provided where it is needed in various segments of the trade or the railway network, thereby impacting the performance of other carriers and components of the system overall.

In order to provide some counterbalance to these impacts, we recommend that the government consider means of introducing more flexibility into the rail freight system when required, including by exploring new logistics approaches to dealing with variables such as crop seasonality, busts and booms in world demand, and the impacts of winter conditions. Targeted actions in this respect could include opening the door to more rail competition when there is insufficient rail capacity (by, for example, allowing for greater inter-switching distances or facilitating the granting of running rights or joint track usage), and facilitating the implementation of logistics improvements that would alleviate pressure on rail demand at critical times (especially winter) and / or allow for full use of existing but dormant rail (and terminal) capacity when circumstances warrant.

It is our view that the system does not currently use all of its capacity even when capacity is tight, and that government therefore has a role to play in incentivizing rail operators to employ their dormant or

under-utilized capacity when there is a surge in demand or similar operational constraint (which they would not otherwise do due to the need to optimize their financial target ratios). A range of specific actions could be required of the railways and their supply chain partners in this respect - including more intensive use of railcars, building trains that contain both CN and CP cars directly at the terminal, and implementation of full 24/7 operations – with such actions being incorporated into operational surge plans that the railways would be obliged to develop, and be prepared to implement in response to specific conditions occurring in a specific trade corridor.

We believe that the implementation of such an approach, which is based on addressing rail and terminal challenges in real time and in response to actual, immediate constraints, represents the most effective means of addressing the capacity and efficiency issues that have become regular occurrences in Canada's rail freight system – all of which require a greater degree of flexibility, agility and ability to flex than the system is currently able to support.

c) Investment in Infrastructure:

As important as it is to identify and leverage operational solutions to rail capacity issues, the addition of physical infrastructure to the rail network - whether in the form of rail cars, locomotives, trackage or other assets - will always remain an essential tool for meeting the challenges of future demand. In addition to the need for much swifter progress on the construction of CN's new intermodal hub in Milton, there is also a pressing and urgent need for more container storage space in the Toronto area, which is an action that our ocean carrier members have identified as having the potential to alleviate system-wide congestion and delays in the immediate term. Although we appreciate that some stakeholders have expressed the view that acquisition of storage space represents a "just-in-case" approach that is counter-intuitive to the "just-in-time" philosophy that has characterized most supply chain discussions over the last two decades, we would suggest that the two cannot be separated in a context where resilience and the ability to adjust capacity in response to quickly changing circumstances have become so critically important.

As a final note, we would also underline the need to revisit some of the recommendations regarding rail infrastructure that were contained in the 2016 report of the *Canada Transportation Act Review Panel*, several of which remain highly relevant today. We refer in particular to the recommendation that the federal government identify and set aside land required for railway expansion (with priority given to rail network bottlenecks and major points of cargo consolidation or distribution), and that Transport Canada publish an evergreen five-year rolling forecast of rail network demand to better anticipate future capacity needs. Such actions, which should become part of the national infrastructure investment plan referred to earlier in our submission, would concretely support the railways' own investment priorities and decisions, while also ensuring that those decisions have a direct link to a broader national vision and strategy.

Rail Efficiency and Capacity – Summary of Recommendations

1. Introduce more flexibility into the rail system and ensure full use of existing and dormant capacity by requiring railways and their partners (e.g. terminals) to develop operational surge plans to be implemented in response to specific conditions occurring in a specific trade corridor.

2. Address key physical infrastructure needs on an urgent basis, including the construction of CN's logistics hub at Milton and the addition of more container storage space in the Toronto area.
3. Implement key recommendations regarding rail infrastructure contained in the 2016 report of *Canada Transportation Act Review Panel*, including those related to setting aside land for railway expansion and publishing a five-year annual forecast of rail network demand.

4. CONTAINER CARRIER ISSUES

As we have noted throughout this submission, supply chain challenges and constraints affect all of our ocean carrier members regardless of whether they are involved in the bulk, breakbulk or containerized trades. This being said, we do wish to comment on some of the issues that container carriers in particular have faced through the pandemic – as their role in the supply chain has never been more prominent, or subject to more scrutiny and rhetoric, than in the last two years.

a) Industry Consolidation and Carrier Cooperation:

One specific issue we would like to provide some clarification on is consolidation in the container shipper industry and the effect this has on pricing, competitiveness and service availability. It is worth noting that consolidation is not a new phenomenon in the industry, but one that has been taking place over the last two decades. More specifically, the early 2000s were marked by a period of intensified consolidation, as ships became larger and larger, and the need for carriers to achieve economies of scale and provide global service offerings became increasingly important. That was followed by a period of relative stability that remained in place until 2016, when the most recent wave of consolidations began, primarily as a means of coping with the depressed market conditions, poor financial returns and significant over-capacity that had prevailed since the 2008 financial crisis.

This most recent round of consolidation has been characterized by mergers and acquisitions, as well as a reshuffling of existing arrangements and the creation of the three major alliances that are in effect today. These arrangements all have a common objective of offsetting the extremely high capital costs of operating in the container shipping market by enabling carriers to combine operations and share vessel space, thereby allowing them to leverage economies of scale, reduce operating costs, and connect to global networks – at the same time as they compete vigorously on rates and customer service (which serve as key forms of carrier differentiation). On the other side of the equation, and just as importantly, these arrangements provide shippers and cargo interests with certainty regarding the availability of regular shipping service across a wider range of ports – on larger and more efficient vessels – than would be possible if all shipping lines were operating individually.

Although it is often stated that consolidation leads to a lack of competition, which in turn leads to higher freight rates, this is not supported by the facts. The facts show that freight rates had been consistently low in the two decades before the pandemic, with many carriers unable to earn returns above the cost of capital on many trades. The facts also show that it is only in mid-2020, when Covid-induced demand started to increase, that container rates began their upward trajectory, especially in the more volatile spot market, due mainly to the willingness of shippers to pay a premium to have their cargo moved in an increasingly congested transportation system – with the highest premiums being offered by shippers of high value containerized cargo more readily able to absorb increased rates. Consequently, the historically high freight rates and carrier profits that we have seen in the container shipping sector during the period

of the pandemic are due to the dynamics of supply and demand in a highly unusual market, and not to how the industry is structured overall.

b) Shipping Conferences Exemption Act:

As the Task Force is undoubtedly aware, Transport Canada recently undertook a study of the operation of container shipping in Canada, with a view to assessing whether the *Shipping Conferences Exemption Act* (also known as *SCEA*), which exempts shipping line agreements from certain provisions of Canada's *Competition Act*, needs to be amended or upgraded in view of the recent supply chain challenges. It is worth noting that similar exemptions are provided by all of the world's major maritime trading nations, and although the specific conditions and requirements that are linked to these exemptions differ depending on the needs and realities of the country involved, the underlying principle remains entrenched as the optimal tool for ensuring the ability of container carriers to provide stable, efficient and cost-effective service for the movement of the world's trade.

Given that *SCEA* was implemented in 1987 and last amended in 2001, it is our view that the Act should be modernized in order to more fully reflect the current environment in which container shipping operates. An issue of particular concern is that *SCEA*'s exemptions are linked exclusively to an outdated form of carrier collaboration known as "shipping conferences" (which involve collective rate-setting and the use of common contracts), despite the fact that shipping lines have long since transitioned to more effective models of collaboration that are based entirely on operational (as opposed to rate-setting) cooperation.

Given the above, we believe that Canada should amend *SCEA*, with a view to removing all of its current references to shipping conferences, and clearly affirming that its exemptions extend to the forms of operational cooperation that are in use today, including vessel sharing agreements (which are by far the most common types of agreements that container carriers use to maximize efficiency). This would represent an important step forward in modernizing Canada's outdated regime, and ensuring its consistency with the regimes of other maritime trading nations, including the U.S., all of which provide legal certainty for vessel sharing agreements in their domestic legislation. We have attached a copy of the submission we made to Transport Canada on this matter this past February, which further elaborates on the points noted above.

c) Role of the Canadian Transportation Agency:

As part of the *SCEA* review process, Transport Canada also solicited stakeholder views on the role that the Canadian Transportation Agency (CTA) could potentially play in modernizing the regime governing the operation of liner shipping in Canadian waters, particularly as pertains to the carrier / shipper relationship. One option proposed by Transport Canada in this respect is the establishment of a dispute resolution mechanism managed by the CTA, which shippers could use to file and potentially resolve complaints regarding ocean carrier issues – similar to what is currently found in the rail sector.

We have a number of concerns regarding this option, not only because such mechanisms are by their nature designed to address issues after the fact rather than in real time, but also because Canadian rail carriers have specific obligations under the *Canada Transportation Act* to provide service to rail shippers that cannot be replicated in the ocean shipping sector, as ocean carriers do not have the same regulatory obligation to provide service in the Canadian market. Consequently, we view any potential CTA role in the resolution of contractual disputes between ocean carriers and shippers as being inappropriate from a regulatory perspective, and as being counterproductive from a commercial perspective with respect to

the uncertainty this could create for container carriers looking to assess the relative risks and benefits of calling a Canadian port(s).

This being said, we do believe that the CTA could play a more active role in tracking and understanding the concerns not only of cargo owners using liner shipping services, but also of carriers providing those services - by providing a neutral forum in which to raise issues and explore possible solutions. We would therefore be open to having a future discussion with Transport Canada as to the specific types of information elements that carriers would be comfortable providing to the CTA as part of such a forum, provided that the Agency's role would be limited to collecting, interpreting and sharing information, and would not include regulatory decisions or enforcement actions related to that information.

Another caveat we would add is that the CTA would likely have to invest in upgrading its marine and liner shipping expertise in order to ensure its ability to provide ongoing value, creativity and thought leadership to this undertaking – the payoff being that the Agency could then continue to expand and leverage this expertise as time goes on.

Container Carrier Issues – Summary of Recommendations:

1. Modernize the *Shipping Conferences Exemption Act* by explicitly extending its provisions to vessel sharing agreements and other forms of operational cooperation among shipping lines.
2. Explore scenarios under which the Canadian Transportation Agency could serve as a neutral forum for discussing issues facing shippers and ocean carriers by collecting, interpreting and sharing information related to their respective operations.
3. Invest in upgrading marine and container shipping expertise within the CTA, with a view to leveraging this expertise to fill future gaps and needs.

A FINAL COMMENT

One subject we have not raised in our submission is labour stability and productivity. Although we appreciate that this is a highly sensitive topic, it is an issue that we believe will ultimately have to be addressed in a meaningful way if Canada is to find effective, long-term solutions to the supply chain challenges it faces.

There are two specific labour-related issues that we wish to flag in this respect. The first is the longstanding disconnect that exists between labour agreements (especially in the terminal, rail, truck and pilotage sectors) and operational realities within the intersecting transportation modes, which serves as a significant impediment to injecting greater efficiency into the system overall. The second is the entrenched resistance to greater integration of technology into terminal operations that has long existed within the labour community, which must be overcome in a way that reconciles legitimate concerns over long-term workforce viability with the exponential gains that technological innovation has the potential to create.

Finding solutions to both of these issues will be critical to building more robust, agile and resilient supply chains for the future, and we strongly suggest that the Task Force acknowledge this as a priority matter for review and further stakeholder consultation once the current study has been completed.

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We trust that the Task Force will find our submission useful in its work and look forward to future engagement opportunities as required.

Sincerely,

Chris Hall

Chris Hall
President & CEO
SHIPPING FEDERATION OF CANADA

Encl.