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CANADA

ADDRESSING LABOUR SHORTAGES IN THE CANADIAN TRANSPORTATION SECTOR

**Report of the Standing Committee on Transport,
Infrastructure and Communities**

Peter Schiefke, Chair

**MARCH 2023
44th PARLIAMENT, 1st SESSION**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES

has the honour to present its

NINTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the anticipated labour shortages in the Canadian transportation sector and has agreed to report the following:

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SUMMARY

During its study on labour shortages in the Canadian transportation sector, the House of Commons Standing Committee on Transport, Infrastructure and Communities heard from witnesses who highlighted the major impact that these shortages have on supply chain fluidity. Some of the key common concerns raised by representatives from various sectors were recognizing transportation occupations as skilled trades, streamlining processes to allow foreign workers to fill vacancies and addressing the need to diversify the labour force and attract workers from under-represented groups.

In addition to these common concerns and the fact that many workers are retiring, some witnesses said that, in the road transportation sector, the shortage of truck drivers is caused by barriers to entry, such as the cost of training and access to a mentoring program. Other factors include safety considerations, such as access to adequate rest facilities, and work-life balance considerations. With regards to the air transportation sector, some witnesses called for additional funding to train new pilots, improved working conditions for occupations in various airport-related sectors and shorter time frames for obtaining documents issued by Transport Canada.

As for the rail transportation sector, some witnesses said that working conditions, staffing levels, and fatigue management could be improved. Agriculture sector representatives were concerned about labour disputes interrupting rail service, and they called on the Government of Canada to work with stakeholders to reduce the likelihood of service interruptions. In the marine transportation sector, witnesses indicated that the Canadian public should be informed of job opportunities in the sector and asked for Government of Canada support to increase training capacity, provide additional financial assistance for those in training and modernize training methods.

In the course of this study, some witnesses also encouraged the Government of Canada to support the measures in the National Supply Chain Task Force's final report and recommended that a national supply chain strategy be implemented. Some witnesses further indicated that improving coordination along the supply chain would require having a better real-time understanding of bottlenecks and labour shortages. Lastly, some witnesses talked about the safety and efficiency advantages of technologies such as automation and artificial intelligence, but expressed that they are not a cure-all for the current and anticipated labour shortages in the Canadian transportation sector.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1—National Occupation Classification

That the Government of Canada, while respecting provincial jurisdictions, consult with the provinces to update the National Occupation Classification system more frequently to ensure that immigration programs are in alignment with labour market demands.

Recommendation 2—Foreign Skilled Workers

That the Government of Canada expedite visa and work permit processing for foreign workers, and examine avenues to streamline credential recognition among federal departments.

Recommendation 3—Eliminate the Backlog of Approvals

That the Government of Canada take immediate action to expedite the processing of all Transport Canada licensing and certifications to pre-pandemic processing times to eliminate the backlog of applicants waiting to enter the labour market as soon as possible.

Recommendation 4—Education, Training and Employment Readiness

That the Government of Canada collaborate with provinces, territories, and relevant stakeholders to align training programs and funding to support key transportation positions across transportation modes, and to establish programs aimed to standardize professional designations and ensure their transferability across Canada.

Recommendation 5—Underrepresented Groups

That the Government of Canada facilitate access to transportation occupations with a special focus on underrepresented groups such as Indigenous people, women, youth, and new Canadians by promoting and expanding existing programs and introducing innovative ways to attract new workers to the transportation sector.

Recommendation 6—Expand Access to Online Training

That the Government of Canada offer virtual training options as was done during the COVID-19 pandemic and cancelled in December 2022.

Recommendation 7—Skilled Trade Classification

That the Government of Canada strongly consider updating the National Occupation Classification system to classify truck driving as a skilled trade.

Recommendation 8—Improve Driver Training

That the Government of Canada work with provinces and territories, industry, unions, and community groups to develop programs to help bridge the gap between entry-level professional driver training and employment readiness.

Recommendation 9—Barriers to Indigenous Driver’s Licensing

That Indigenous Services Canada and Employment and Social Development Canada, in collaboration with provincial partners, work to identify and address barriers to driver’s licensing in Indigenous communities, to facilitate access to occupations in the transport sector and other sectors.

Recommendation 10—Support for Airline Pilot Training

That the Government of Canada, while respecting provincial and territorial jurisdictions, collaborate with air pilot unions, industry, and community organisations to develop funding programs for the training of future airline pilots, including loan program for students.

Recommendation 11—Improving Working Conditions for Airport Screening Officers

That the Government of Canada support screening officers by working with the Canadian Air Transport Security Authority, employment subcontractors, and unions to improve working conditions and security officer retention.

Recommendation 12—Successor Rights for Airport Workers

That the Government of Canada strongly consider changing the Canada Labour Code to implement full successor rights, ensuring airport workers keep their jobs, pay, and collective agreements when a contract is flipped to a new supplier.

Recommendation 13—Helping New Quebecers and New Canadians in the Marine Sector

That the Government of Canada review legislation to facilitate the hiring of foreign workers having studied in the country, especially in the marine sector.

Recommendation 14—Infrastructure Needs of Gateway Communities

That the Government of Canada take into consideration the infrastructure needs of gateway communities in delivering an efficient and competitive supply chain, including the need to attract workers.

Recommendation 15—Increasing Marine Learning Capacity

That the Government of Canada, respecting provincial and territorial jurisdictions, work with partners to increase marine learning capacity in Canada and consider providing learning centres in strategic areas where entry-level and refresher courses could be offered.



ADDRESSING LABOUR SHORTAGES IN THE CANADIAN TRANSPORTATION SECTOR

INTRODUCTION

Presently, Canada’s transportation and warehousing sector boasts a labour force of nearly 1 million.¹ Statistics Canada’s data for the second quarter of 2022 indicates a job vacancy rate of 5.9% in the sector—an increase from 4.2% in the same period in 2021.² Many other sectors of the Canadian economy depend on modes of transportation and on the people who manage and operate them. Although labour shortages within the transportation network are not new, they remain critical as effects of an aging workforce continue to ripple throughout the country’s supply chains.

Considering the urgent need to fill existing vacancies, provide a steady stream of new entrants into the sector, and ultimately, ensure the future operational wellbeing of Canada’s transportation system, the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) agreed to the following motion on 3 February 2022:

That, pursuant to Standing Order 108(2), the Committee commit to undertake a study focusing on current and anticipated labour shortages in the Canadian transportation sector, for example truck drivers, mariners, maintenance staff, trainers/instructors and various types of engineers and technicians in the aviation sector; that the study would identify the implications of such shortages and look at possible solutions to alleviate problems stemming from them; and that the committee allocate a minimum of six meetings to this study.³

The Committee dedicated six meetings to this study between 5 October 2022 and 2 November 2022. It heard 39 witnesses and received eight briefs. The sections below

1 Statistics Canada, “[Table 14-10-0023-01: Labour force characteristics by industry, annual \(x 1,000\)](#),” Database, accessed 30 November 2022.

2 Statistics Canada, “[Table 14-10-0326-02: Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by industry sub-sector, quarterly, unadjusted for seasonality](#),” Database, accessed 5 December 2022.

3 House of Commons, Standing Committee on Transport, Infrastructure and Communities (TRAN), [Minutes of Proceedings](#), 3 February 2022.



summarize the discussions with various stakeholders regarding current and anticipated labour shortages and challenges for the truck, air, marine and rail transportation sectors.

COMMON CHALLENGES ACROSS TRANSPORTATION SECTORS

“We need to educate more Canadians about how the trades and transportation sectors offer professional career opportunities that are open to everyone.”

[Sean Strickland](#)

Executive Director, Canada’s Building Trades Unions

Among the testimony presented to the Committee throughout the study, there were common concerns shared by representatives from different transportation sectors. These include the recognition and qualification of skilled professionals, the retention of existing employees and attraction of new ones within each sector, and the fostering of diverse, accessible and inclusive workforces.

Recognizing Skilled Professions

Several witnesses indicated that the proper acknowledgement of skilled trades in transportation creates easier pathways for individuals to enter them.⁴ A [brief](#) submitted by the Automotive Industries Association of Canada (AIA Canada) indicated that stigmatization of skilled trade careers deters people from even considering one. A few proposed updating the National Occupation Classification (NOC) system to provide better access to information on labour pools and to ascribe value to transportation roles.

[Maguessa Morel-Laforce](#), Director of Government and Stakeholder Relations for the Chamber of Marine Commerce, indicated that updating the NOC system would allow better access to information on the marine industry. Using the example of engineers, he expressed that because the system is not up to date, “it’s very hard to track the labour pool right now.” This difficulty extends to accessing information on their occupational

4 TRAN, *Evidence*: 44th Parliament, 1st Session: [Omar Burgan](#) (Director of Policy and Research, Teamsters Canada [Teamsters]); [Bruce Rodgers](#) (Executive Director, Canadian International Freight Forwarders Association [CIFFA]); [Julia Kuzeljevich](#) (Director, Policy and Communication, (CIFFA)); [Michael Millian](#) (President, Private Motor Truck Council of Canada [PMTCC]); [John Corey](#) (President, Freight Management Association of Canada [FMAC]); [Sean Strickland](#) (Executive Director, Canada’s Building Trades Unions [CBTU]); [Louise Yako](#) (Task Force Co-Chair, National Supply Chain Task Force [NSCTF]); [Jean Gattuso](#) (Task Force Co-Chair, (NSCTF)); National Cattle Feeders’ Association (NCFA) ([Brief](#)); and Automotive Industries Association of Canada (AIA Canada) ([Brief](#)).

mobility, since he expressed how “[i]t’s even harder to track that labour pool based on where they were before.”

On the road transportation side, [Michael Millian](#), President of the Private Motor Truck Council of Canada, remarked that updating the NOC system would require collaboration between the federal and provincial governments for its eventual implementation and consistent application across Canada, in a similar way to a Red Seal trade.⁵

[Angela Splinter](#), Chief Executive Officer of Trucking HR Canada, added that the trucking industry plays a part in recognizing truck driving as a skilled occupation and needs “buy-in across the industry on what the occupational level standard looks like that makes it a skilled trade.”

[Ian Gillespie](#), Director of Temporary Resident Policy and Programs at the Department of Citizenship and Immigration, confirmed that the NOC system was moving to its next iteration—NOC 2021—and that classifications are shifting, with “a number of [occupations] being bumped up to become considered higher-skilled.”

Immigration and Temporary Foreign Worker Programs

Some witnesses looked to immigrants and temporary foreign workers to help alleviate labour shortages.⁶ For instance, [Sean Strickland](#), Executive Director of Canada’s Building Trades Unions, encouraged the federal government to develop an immigration stream for Canada’s construction sector modelled after the Atlantic Immigration Program.⁷ He also supported truck drivers’ eligibility to apply for immigration via Canada’s Express Entry process and called it “a step in the right direction to address labour shortages.”

[Dr. Gillespie](#) declared that last year, the Temporary Foreign Worker Program (TFWP) contributed to almost two-thirds of over 5,000 temporary foreign workers who received permits to fill job vacancies in transportation. In addition, he claimed that:

5 A provincial or territorial trade certificate with a Red Seal endorsement indicates that the holder of the certificate has demonstrated the knowledge and skills required to practice the trade across Canada. Red Seal, [Red Seal Program](#).

6 TRAN, *Evidence*: [Rodgers](#) (CIFFA); [Stephen Laskowski](#) (President, Canadian Trucking Alliance [CTA]); [Erin Gowriluk](#) (Executive Director, Grain Growers of Canada [GGC]); [Serge Buy](#) (Chief Executive Officer, Canadian Ferry Association [CFA]); [Corey](#) (FMAC); [Strickland](#) (CBTU); [Gattuso](#) (NSCTF); [Ian Gillespie](#) (Director, Temporary Resident Policy and Programs, Department of Citizenship and Immigration [IRCC]); and [Andrew Brown](#) (Senior Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development [ESDC]).

7 Government of Canada, [Atlantic Immigration Program](#).



[T]ransportation jobs can also be filled through the international mobility program, which exempts employers from the requirements of the Temporary Foreign Worker Program when hiring foreign nationals whose work will create broader economic benefits for Canadians. This program facilitates access, for example, to foreign airline personnel and to railway maintenance workers. It also enables faster hiring of international technicians and professionals from countries with which Canada has trade agreements, including for occupations such as engineers, pilots and highly skilled mariners.

The Committee received testimony that questioned such programs. The Council of Marine Carriers explained in its [brief](#) that increased immigration is not a global solution, since “[t]aking qualified candidates in through immigration programs to solve our domestic issues takes them out of international shipping pools which service our exports.” [Louise Yako](#), Task Force Co-Chair of the National Supply Chain Task Force, voiced that the TFWP “is designed for temporary shortages.” [Omar Burgan](#), Director of Policy and Research for Teamsters Canada, echoed Ms. Yako and said that the transportation sector should consider “immigrants who are on a path to citizenship” as a more viable option. Unifor, in its [brief](#), described that “[s]ome are advocating for the use of the TFWP to circumvent the collective agreement and erode working conditions to increase profit” and suggested that “granting migrant workers permanent residency status upon arrival” would ensure their equal rights and protections. [Kaylie Tiessen](#), National Representative for the Research Department of Unifor, also suggested enhancing oversight over the TFWP. Lastly, [Tim Perry](#), President of Air Line Pilots Association Canada, underlined that collective bargaining rights must not be undermined by Canadian companies relying on temporary foreign workers, foreign wet leases and improper partnerships with foreign operators.

Immigration, Refugees and Citizenship Canada (IRCC) processing timelines were also an issue raised before the Committee. [Serge Buy](#), Chief Executive Officer of the Canadian Ferry Association (CFA), characterized delays in the processing of immigration applications as a problem that is preventing people who were offered jobs from assuming them. Similarly, [Jean Gattuso](#), Task Force Co-Chair of the National Supply Chain Task Force, spoke about farmers being affected by long processing times for temporary worker applications. According to [Mr. Morel-Laforce](#), these processes are taking an inordinate amount of time due to resources. He remarked that in reality, “[e]ven if many seafaring positions are given priority status [...], it takes over two years between the time a candidate is selected by a company that would like to hire that person and the moment when that person has the right to work in Canada.” [John McKenna](#), President and Chief Executive Officer of the Air Transport Association of Canada, welcomed policies that bring forth change, but placed more emphasis on the ability to administer them.

[Jean-Marc Gionet](#), Director General of Immigration Program Guidance of the Department of Citizenship and Immigration, reported that general work permits took approximately 116 days for IRCC to process, whereas [Michael MacPhee](#), Assistant Deputy Minister of the Temporary Foreign Workers Program of the Department, commented that Labour Market Impact Assessments for the TFWP took 31 business days to process. [Dr. Gillespie](#) told the Committee that IRCC is introducing measures to address the backlog of applications and processing times, including hiring additional processing staff and exploring technology-based solutions, and is expecting to move closer to meeting its service standards by the spring of 2023. In a subsequent response submitted to the Committee, the IRCC clarified that, as of 31 October 2022, “the total number of [applications] that are exceeding service standards for processing timelines is 1.2 million out of a total inventory of 2.2 million.”⁸

Foreign Credential Recognition

Representatives from the air and marine transportation sectors emphasized the need for further recognition of foreign credentials to support international recruitment and streamline processes for hiring skilled workers.

[Robert Donald](#), Executive Director of the Canadian Council for Aviation and Aerospace, suggested that Transport Canada should consider foreign licensed aviation maintenance engineers based on their competencies rather than components of their curriculum. Moreover, he requested that two NOC codes—7315 for aircraft mechanics and inspectors and 7244 for avionics and electronic technicians—be added to the list of critical labour shortages to make the hiring processes for foreign aviation maintenance engineers (AME) more efficient and less costly. He noted that in turn, companies would be able to hire as many apprentices as they do with experienced foreign workers. It takes four years to train an AME in Canada which is twice as long as many other jurisdictions. Outdated regulations require training in cloth wing and wood structure aircrafts disqualifying foreign trained AMEs who have had no such training. An AME authorised by Transport Canada to work on Canadian planes in Germany is not recognized by Transport Canada to work on those same planes in Canada. [Mr. Donald](#) called for a move to a “competency-based system instead of this methodical bureaucratic approach.”

In its [brief](#), the CFA commended Transport Canada for signing agreements with Norway, France, Georgia and Ukraine to recognize the credentials of their mariners under the

8 Department of Citizenship and Immigration, written response to the House of Commons Standing Committee on Transport, Infrastructure and Communities, 2 November 2022.



International Convention on Standards of Training, Certification and Watchkeeping for Seafarers and recommended additional agreements with key labour origin countries such as the Philippines, Indonesia and Morocco. The Association also asked that the Government of Canada consider whether to recognize foreign marine officer and engineering licences and certifications compliant with International Maritime Organization requirements.

Diversifying and Retaining Labour Forces

Several witnesses advocated for further inclusivity of individuals from underrepresented groups, notably Indigenous people, women and youth, in transportation related occupations.⁹

With regard to truck driving, [Andrew Brown](#), Senior Assistant Deputy Minister of the Skills and Employment Branch at the Department of Employment and Social Development, expressed interest in learning more about reducing barriers to driver licensing for Indigenous entrants and commented that there is ongoing work in helping Indigenous communities participate in the labour market. [Mrs. Splinter](#) suggested that Canada draw inspiration from abroad to address its truck driver shortage. She shared an example of a United Kingdom initiative that encouraged women to transition from courier driving to long-haul truck driving by informing them of higher wages offered for the latter. Despite concerns over truck driving's lack of appeal to young people, the Committee heard of a few ideas to help promote the trade to those looking for a career, namely through wage incentives and training and insurance funds.¹⁰

[Julian Roberts](#), President and Chief Executive Officer of Pascan Aviation Inc., believed that young people today are not as interested in working in the air transport sector compared to previous generations. He called for outreach activities in schools to expand youth knowledge on aviation. [Jeff Morrison](#), President and Chief Executive Officer of National Airlines Council of Canada, referenced the British Government's Generation

9 TRAN, *Evidence*: [Millian](#) (PMTCC); [Buy](#) (CFA); [Ken Veldman](#) (Vice-President, Public Affairs & Sustainability, Prince Rupert Port Authority [PRPA]); [Kuzeljevich](#) (CIFFA); [Burgan](#) (Teamsters); [Mariam Abou-Dib](#) (Executive Director, Government Affairs, Teamsters); [Angela Splinter](#) (Chief Executive Officer, Trucking HR Canada [Trucking HR]); [Buy](#) (CFA); [Strickland](#) (CBTU); [Brown](#) (ESDC); [Maguessa Morel-Laforce](#) (Director, government and stakeholder relations, Chamber of Marine Commerce [Chamber of Marine Commerce]); Railway Association of Canada ([Brief](#)); and AIA Canada ([Brief](#)).

10 TRAN, *Evidence*: [Splinter](#) (Trucking HR) and [Millian](#) (PMTCC).

Aviation Group¹¹ due to similar concerns and encouraged the Committee to explore the potential of replicating such a program for Canada.

[Mr. Buy](#) voiced his belief that educational outreach should begin before kids reach high school. [He](#) also pointed out that “[a] number of [Canadian Ferry Association] members have programs to attract Indigenous people to the marine sector” and highlighted the Association’s own scholarship aimed at supporting young women who choose to train in it. [Mr. Morel-Laforce](#) claimed that the marine industry “is very much active in its outreach” to underrepresented groups and pointed out Canadian Marine Industry Foundation’s dedication in that area.

However, AIA Canada’s [brief](#) suggested that most parents have a hierarchical view of the post-secondary education system and noted that “their perceptions shape the tastes and expectations of their children.”

When asked for their opinion on tax credits as a measure to prevent aging labour forces from leaving their field of work prematurely, witnesses were split on the idea; some were in favour, whereas others doubted such an incentive would generate the intended outcome, especially for individuals who are beyond the standard age of retirement.¹²

TRUCK TRANSPORTATION

“[I]t 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.”

[Michael Millian](#)

President, Private Motor Truck Council of Canada

According to Mrs. Splinter, CEO of Trucking HR Canada, the trucking and logistics sector is the most significant enabler of post-pandemic economic recovery in the country, yet labour shortages within the sector are having a direct impact on over \$850 billion of goods a year that are destined for both domestic and international markets.¹³ Witnesses revealed that the number of truck driver vacancies in Canada stood at roughly 30,000 at

11 Government of the United Kingdom, [Generation Aviation Group](#).

12 TRAN, *Evidence*: [Millian](#) (PMTCC); [Luc Julien](#) (Staff representative, United Steelworkers [Steelworkers]); [Morel-Laforce](#) (Chamber of Marine Commerce); [Buy](#) (CFA); [Corey](#) (FMAC); [Yako](#) (NSCTF); and [Gattuso](#) (NSCTF).

13 TRAN, *Evidence*: [Splinter](#) (Trucking HR) and Trucking HR Canada ([Brief](#)).



the end of June 2022 and, with a large percentage of the workforce over the age of 55, is projected to increase to an estimated 48,000 in another two years.¹⁴

Among the underlying causes for driver shortages, costly entry to the trade, unlawful business practices and concerns over safety and work-life balance were the principal ones discussed throughout the study.

Barriers to Entry

According to [Mr. Millian](#), individuals interested in entering the trucking trade must undergo mandatory entry-level training that can incur costs exceeding \$8,000. He called for the implementation of “an increased and consistent funding model” to assist people who want to become drivers. [He](#) presumed that individuals who sign up to be a truck driver through unemployment support funds do not tend to stay in that role since they “are being pushed into the industry” when they may not want to be in it.

As well, [Mr. Laskowski](#) reasoned that if an individual has a driver’s license qualifying them to operate a tractor trailer, it does not mean that they are ready to work in the trucking industry. He expressed that unlike other sectors, the trucking sector does not have access to funding for apprenticeship-type onboarding programs. [Mr. Millian](#) illustrated the necessity for a consistent onboarding standard. In his words,

If you get entry-level training in Ontario and now you want to drive coast to coast across Canada, [...] 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.

[Mrs. Splinter](#) named Trucking HR Canada’s solution “to better bridge the gap between entry-level training and employment readiness” and told the Committee that the organization submitted a proposal to the federal government to support this solution.

In addition to entry-level requirements, [Nadine Frost](#), Director of Policy and Industry Standards at Fertilizer Canada, said that if truckers were to transport dangerous goods such as anhydrous ammonia, they would be required to undergo specialized training.

14 TRAN, *Evidence*: [Laskowski](#) (CTA); [Millian](#) (PMTCC); [Splinter](#) (Trucking HR); [Strickland](#) (CBTU); and Trucking HR Canada ([Brief](#)).

Furthermore, [Bruce Rodgers](#), Executive Director of the Canadian International Freight Forwarders Association, mentioned that he was not convinced there would be sufficient equipment available to facilitate the entry of a surge of new drivers.

Ending Driver Inc.

Aside from retirement, the Committee was made aware of another major reason why individuals leave trucking companies. According to [Stephen Laskowski](#), President of the Canadian Trucking Alliance, “drivers aren’t leaving the industry; they’re leaving a payrolled, labour-compliant company and going to the underground economy” otherwise known as Driver Inc. [He](#) elaborated:

It’s referred to as a personal services business. It’s a technical term for what is really a misclassification scam. It allows trucking companies to organize drivers [...] so as not to pay them overtime or give them holiday pay and severance. These companies are then void and allow themselves to be carved out of payroll taxation. It also allows companies and drivers to skirt income taxes.

[Mr. Millian](#) criticized companies that engage in this practice for placing “a terrible stain” on the industry’s image. He and [Mr. Burgan](#) elaborated on their view that compliant companies and their workers end up being penalized because it is difficult for them to compete with non-compliant companies that charge lower rates. [Mrs. Splinter](#) cautioned the Committee of how these companies place workers in unsafe environments and cause the loss of billions of dollars in tax revenue.

[Mr. Laskowski](#) stated that the Canadian Trucking Alliance’s recommended approach to addressing the issue requires no new legislation, and requested simply that the Canada Revenue Agency enforce existing laws against misclassified personal services businesses in the trucking sector.

Safety and Work-Life Balance

[John Corey](#), President of Freight Management Association of Canada, attributed high turnaround in the sector to long hours, pressure to deliver and poor rest conditions on the road, among other factors. Some witnesses supported strengthening labour standards for drivers, such as by offering good compensation and benefits and adequate access to rest areas, to reduce employee attrition.¹⁵

15 TRAN, *Evidence*: [Burgan](#) (Teamsters); [Laskowski](#) (CTA); [Millian](#) (PMTCC); [Corey](#) (FMAC); and [Strickland](#) (CBTU).



Apart from increased salaries,¹⁶ a few witnesses stood by the idea that drivers should be paid by the hour, rather than by percentage, mile or kilometre, to prioritize safety.¹⁷

Creative scheduling was a point of contention. On one hand, [Mr. Burgan](#) brought up an example where employers worked with employees and their union to create a schedule involving three consecutive 12-hour days followed by four days off. On the other hand, [Mr. Laskowski](#) warned that more flexibility with shifts and working hours, in particular for long haul fleets, will require more drivers.

With regard to rest areas, a couple of witnesses stressed that the deficient amount of rest areas, particularly in northern areas of Canada, makes it difficult for drivers to access meals and manage their fatigue while on the road.¹⁸ They also underscored the need to improve facilities with good lighting and access to showers to make them safer and more accommodating, especially for women.

AIR TRANSPORTATION

“The aviation ecosystem is reliant on the availability of a large, well-trained, competent workforce, and it must include professionals in adequate numbers to cater to the diverse roles found across the aviation sector...”

[Jeff Morrison](#)

President and Chief Executive Officer, National Airlines Council of Canada

At the outset, [Mr. McKenna](#) labelled commercial pilot, cabin crew, air traffic controller and aircraft maintenance personnel shortages “at critical levels” and expected them to continue for the foreseeable future. [Robert Donald](#), Executive Director of the Canadian Council for Aviation and Aerospace, provided results from the organization’s newest labour market information study, which projects that the air sector would need 31,800 new workers—including 7,574 pilots and 5,203 aircraft mechanics—by 2028, a number equivalent to 58% of the current workforce.

16 TRAN, *Evidence*: [Burgan](#) (Teamsters).

17 TRAN, *Evidence*: [Burgan](#) (Teamsters); [Millian](#) (PMTCC); and [Corey](#) (FMAC).

18 TRAN, *Evidence*: [Burgan](#) (Teamsters); and [Millian](#) (PMTCC).

Witnesses informed the Committee of how stakeholders in the air transportation sector are grappling with funding support, shifting obligations and federal department service delays as they face present staffing levels and prepare for future labour shortages.

Government Resources and Support

As Canada's aviation sector continues to recover from the impacts of COVID-19, [Mr. McKenna](#) expressed gratitude for when Transport Canada allowed for alternate means of compliance for training and licensing processes during the pandemic. He encouraged Transport Canada to embed this method, as well as other proven alternatives accepted by other major international regulators, into the *Canadian Aviation Regulations*. On the contrary, [Mr. Perry](#) expressed his association's position that "the current situation regarding pilot supply has been compounded by the government's failure to provide airlines with direct and appropriate aviation-specific COVID financial assistance in a timely manner."

Considering the high costs required to become a pilot,¹⁹ a couple of witnesses exhorted the federal government to assume an active role in the training of future airline pilots, such as by establishing a guaranteed loan program or by providing funding support.²⁰

[Luc Julien](#), Staff Representative for United Steelworkers, instanced that in the airports he knew, few new hires are ever expected to stay in the long term, mainly due to salary conditions, insurance, pension plans, rotating schedules and pressure endured on the job. [Mr. Julien](#) explained that since screening officers are employed by subcontractors and not by the Canadian Air Transport Security Authority (CATSA), the bargaining process permits union representatives to negotiate solely with the former, which "hurts screening officers' working conditions." He believed that representatives should be allowed to negotiate with CATSA on behalf of the workers. [He](#) also asked the Government of Canada to provide better working conditions for screening officers by supplying CATSA with the necessary resources to do so.

[Ms. Tiessen](#) brought forward the topic of precarious work and contract flipping, which she deemed an unfair common practice in the air sector that leads to labour shortages in, for instance, baggage handling, wheelchair handling and customer service at airports. To address this, she proposed improvements such as "instituting a minimum living wage

19 TRAN, *Evidence*: [Julian Roberts](#) (President and Chief Executive Officer, Pascan Aviation Inc. [Pascan]).

20 TRAN, *Evidence*: [John McKenna](#) (President and Chief Executive Officer, Air Transport Association of Canada [ATAC]) and [Tim Perry](#) (President, Air Line Pilots Association Canada, Air Line Pilots Association International [ALPA]).



at airports across the country [and] implementing full successor rights to ensure workers keep their jobs, pay and collective agreements.”

While recognizing that aviation is federally regulated, [Andrew Gibbons](#), Vice-President of External Affairs for WestJet Airlines Ltd., showcased a recent memorandum of understanding between the airline and the Government of Alberta, which included “investments in labour market training programs, pilot training, addressing the punitive costs of aviation jet fuel and building visitor economy.” He also praised the Canada Emergency Wage Subsidy for permitting WestJet to retain many of its employees.

Regulatory and Policy Requirements

In [Mr. Gibbons](#)’ words, “an accordion of changing health measures and shutdowns resulted in many employees vacating industry.” He contended for a greater shared accountability structure around air travel disruptions and asked that the government provide stability and transparency as part of it, including clear criteria and metrics for any future restrictions placed on air carriers.

[Mr. Roberts](#) and [Yani Gagnon](#), Executive Vice-President and Co-owner of Pascan Aviation Inc., reiterated that changes to regulations concerning flight and duty periods for air operators governed by subparts 703 and 704 of the *Canadian Aviation Regulations* will place additional strain on small air carriers.²¹

As for air traffic controllers, [Ben Girard](#), Vice President and Chief of Operations of NAV CANADA, told the Committee that training professionals and unionized operation employees deliver their air traffic services training programs, which can take between two to three years for individuals to complete. Since qualified air traffic controllers need to be retrained to work at another facility in Canada, [he](#) propounded that Transport Canada work in collaboration to modernize licensing processes so that qualified individuals are assessed more on competency as opposed to geographic location.

Administrative Delays

[Mr. McKenna](#) voiced his discontent with processing delays from federal government departments and the levels of service provided by Transport Canada Civil Aviation due to a lack of experienced engineers and inspectors. Although other witnesses confirmed

21 See: [Regulations Amending the Canadian Aviation Regulations \(Parts I VI and VII—Flight Crew Member Hours of Work and Rest Periods\)](#), SOR/2018-269, 7 December 2018, in *Canada Gazette*, Part II, Vol. 152, No. 25, 12 December 2018.

that Transport Canada had improved its issuance of medical certificates, they nonetheless equated delays with idling equipment and pilots.²² Likewise, [Mr. Morrison](#) spoke of wait times for Restricted Area Identity Cards for airline crews that prevented them from accessing the workplace.

RAIL TRANSPORTATION

“At the end of the day, farmers will not be able to capitalize on the opportunities from increasing demand [for Canadian agriculture products] or trade agreements without a reliable rail system that grain shippers and our global customers have confidence in.”

[Dave Carey](#)

Vice-President, Government and Industry Relations,
Canadian Canola Growers Association

According to the Railway Association of Canada (RAC), railway companies directly employ 33,000 Canadians and indirectly support over 180,000 jobs. In its [brief](#), the RAC stated that the industry is facing job vacancy rates higher than the historical average and that vacancies for railway and yard locomotive engineers can last over 120 days. In addition, nearly 50% of rail industry workers are 45 to 64 years old, which means a significant portion of the labour force will likely retire in the coming years. As regards recruiting and retaining employees, the RAC indicated that it is particularly difficult to recruit skilled workers in rural or remote areas, even though compensation in the rail industry is generous. Retention issues are primarily due to the fact that most positions do not allow for the level of work-life balance that many workers are looking for.

Working Conditions

In addition to the points raised by the RAC—such as the fact that certain positions require physical work, that it could mean moving to a remote region and that the rail industry operates 24 hours a day, 365 days a year—some witnesses mentioned other issues that affect the working conditions of rail employees. According to [Mr. Burgan](#), employees in the rail sector face significant pressures, particularly as regards the

22 TRAN, *Evidence*: [Nick von Schoenberg](#) (President, Canadian Air Traffic Control Association [CATCA]); [Perry](#) (ALPA); and [Jeff Morrison](#) (President and Chief Executive Officer, National Airlines Council of Canada [NACC]).



disciplinary measures in place at some companies, the fact that workers are expected to be available at all hours, the presence of inward-facing cameras in locomotives and the risks to safety. [Mr. Corey](#) said he thought that railways could do a lot more to create a safe workplace. He explained that railways will lay off employees in a bid to save money when freight volumes decrease temporarily, which puts additional pressure on the remaining employees and puts their safety at risk. On that point, the RAC said in its [brief](#) that Canada's railways are among the safest in the world. However, it still recommended that the federal government accelerate the approval and implementation of new technologies to further enhance rail safety and reliability.

According to [Mariam Abou-Dib](#), Executive Director of Government Affairs at Teamsters Canada, despite the fact that new duty and rest rules have been introduced for rail workers in recent years, fatigue continues to be a problem in the sector, exacerbated by the labour shortage. She recommended that the Department of Transport carry out a "very focused" study on fatigue and the regulations relating to it. Similarly, [Mr. Corey](#) suggested that railways should provide better working conditions, such as allowing workers to work fewer hours, which he said would result "in safer working conditions and a happier and therefore more productive workforce." According to [Mr. Burgan](#), when workers are part of a union, they can leverage their collective bargaining power to improve their working conditions.

Labour Disruptions

Witnesses from the agriculture sector emphasized the importance of the rail sector in supplying the agriculture sector and transporting its goods.²³ As an example, [Mrs. Frost](#) pointed out that Canadian fertilizer companies rely heavily on railways, as 75% of fertilizer, by volume, is moved by rail. Witnesses also talked about periods of instability and recent issues with the service provided by Canadian railways. [Dave Carey](#), Vice-President of Government and Industry Relations at the Canadian Canola Growers Association, said that one of the sources of supply chain instability for the grain industry is the relationship between Class I railways and their labour force.²⁴ He made the following comment about a labour dispute between one of these companies and a group of workers in March 2022:

23 TRAN, *Evidence*: NCFA ([Brief](#)); [Dave Carey](#) (Vice-President, Government and Industry Relations, Canadian Canola Growers Association [CCGA]) and [Nadine Frost](#) (Director, Policy and Industry Standards, Fertilizer Canada).

24 Class I rail carriers are railway companies that realized gross revenues of at least \$250 million for the provision of rail services in each of the two calendar years. [Transportation Information Regulations](#), SOR/96-334, s. 8.

[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.

[Mr. Carey](#) pointed out that 12 Canadian Pacific (CP) and Canadian National (CN) labour agreements would expire in 2022 and recommended that the Government of Canada establish an industry-government labour council to track the progress of collective agreement negotiations and ensure that the supply chain is not disrupted as a result. [Erin Gowriluk](#), Executive Director of the Grain Growers of Canada, was also in favour of establishing such a council, in line with the recommendation of the National Supply Chain Task Force’s final report to the federal government in October 2022:

The Minister of Labour should urgently convene a council of experts 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 transportation supply chain.²⁵

[Ms. Gowriluk](#) also said that the agriculture sector should be represented on the council. She pointed to the damaging effects of work stoppages on the Canadian economy, the livelihoods of workers in the agriculture sector and Canada’s international reputation as a reliable shipper, and [she](#) said her organization was in favour of using binding arbitration and back-to-work legislation to ensure that labour negotiations “are never allowed to affect service delivery.” For its part, the National Cattle Feeders’ Association (NCFA) highlighted in its [brief](#) that Western Canada cattle feeders rely to a great extent on the CP rail network to provide their supply of feed grain, which makes them vulnerable to rail network disruptions. Given this monopoly, the NCFA called on the federal government to declare rail an essential service to ensure the labour force is present to keep animal feed supplies moving.

25 National Supply Chain Task Force 2022, [Action. Collaboration. Transformation.](#), Final Report, October 2022, p. 32.



MARINE TRANSPORTATION

“Helping to build the domestic marine sector workforce ultimately benefits other key sectors of the economy—agriculture, construction, manufacturing, natural resources and tourism—that rely heavily on having access to marine transportation for their supply chain requirements.”

Maguessa Morel-Laforce

Director, Government and Stakeholder Relations, Chamber of Marine Commerce

According to the Canadian Marine Careers Foundation (CMCF), the Canadian marine sector includes over 1,000 employers and employs over 100,000 skilled workers in both the private and public sectors. In its [brief](#) the CMCF explains that the marine labour force is aging, with approximately 43% of Canadian seafarers expected to retire in the next 10 years. Projections show that approximately 19,000 new workers will have to be hired during that period. According to [Mr. Buy](#), an internal survey of CFA members in 2019 revealed that 55% to 62% of employees in senior positions would be able to retire within five years. [Mr. Buy](#) said the situation is already critical, because there are “increasing numbers of ferry crossings that are cancelled due to labour shortages.”

Promoting the Marine Sector

Some witnesses said that a key issue in marine sector recruitment is that the Canadian public, and young people in particular, are not aware of the job opportunities in the sector and the competitive wages it offers.²⁶ A few witnesses mentioned an industry initiative by the CMCF called “Imagine Marine,” which promotes the marine industry. [Mr. Buy](#) also said that the operators themselves are going into schools to promote programs to young people.²⁷ In its [brief](#), the Council of Marine Carriers recommended that the Government of Canada, in partnership with the marine industry and provincial and territorial governments, develop a national strategy to promote careers in the marine sector.

26 TRAN, *Evidence*: Canadian Marine Careers Foundation [CMCF] ([Brief](#)); Council of Marine Carriers ([Brief](#)) and [Morel-Laforce](#) (Chamber of Marine Commerce).

27 TRAN, *Evidence*: [Morel-Laforce](#) (Chamber of Marine Commerce); [Buy](#) (CFA) and Council of Marine Carriers ([Brief](#)).

[Ken Veldman](#), Vice-President of Public Affairs and Sustainability at the Prince Rupert Port Authority, pointed out that addressing labour recruitment issues in the marine sector must be considered in the context of the labour needs of local communities. He said that the labour force in Prince Rupert is fully employed and that local employers, including the port, have trouble recruiting from elsewhere, primarily because local municipalities have trouble meeting the infrastructure needs for both housing and public services. He made the following recommendations to the Government of Canada:

[T]he Government of Canada should consider a more proactive role in providing direct financial assistance to port gateway municipalities to increase capital infrastructure when those increases would outstrip local financial capacity. It should also consider prioritizing local partnerships in those same regions to address labour force supply impacts and issues that result from having national trade move through local gateways.

Training

According to [Mr. Morel-Laforce](#), the status of recruitment for all positions on ships, from the most specialized to the least, is “critical.” He said it can take up to five months to train a sailor and between six and eight years to train a ship captain. Representatives from the marine sector made recommendations to the federal government about training that can be grouped into three broad proposals:

- increase training capacity;
- increase funding for training; and
- modernize training methods.

In its [brief](#), the Council of Marine Carriers recommended increasing marine learning capacity in Canada by increasing the number of primary maritime institutions and providing learning centres in remote areas where entry-level and refresher courses could be offered. Similarly, the CMCF said in its [brief](#) that Canada has a limited number of marine training facilities, which makes training difficult to access for many communities and for workers seeking to upgrade their skills. In particular, the CMCF said that training capacity for marine emergency duties (MED) must be increased, because in some cases the MED facilities “have reached the limit of their ability to expand without additional investment.”

According to [Mr. Morel-Laforce](#), the Government of Canada offers little support to training institutes and students in the marine sector. He called on the government to provide regular funding to support the training of new employees, both in the private



sector and in the Canadian Coast Guard. In its [brief](#), the CMCF called for increased financial aid for on-the-job training at sea, which would encourage businesses to take on more trainees. When he appeared before the Committee, [Mr. Brown](#) mentioned the Sectoral Workforce Solutions Program, which was introduced in Budget 2021.²⁸ He explained that the program provides \$960 million over three years to “assist workers through training and reskilling.” Similarly, [Melanie Vanstone](#), Director General of Multi-Modal and Road Safety Programs at the Department of Transport, outlined the Marine Training Program, which was renewed in Budget 2022 as part of the Oceans Protection Plan “to reduce barriers to marine training to under-represented groups.”²⁹

In its [brief](#), the CFA pointed out that another way the Government of Canada could support training in the marine sector, particularly for seasonal workers, would be to modify the Employment Insurance rules to better accommodate training for current employees to ensure they can still work enough hours to maximize their EI benefits.

Several witnesses said that increased use of new technologies, such as virtual reality, artificial intelligence or online learning, could streamline marine training while increasing training accessibility and affordability.³⁰ In its [brief](#), the CFA called on the Government of Canada to enable marine training institutions to deliver virtual training for portions of the curriculum. The CFA also highlighted that some of the regulations governing the crewing of ferries are decades old, and its President and Chief Executive Officer, [Mr. Buy](#), said that new technologies could mean fewer crew members would be needed, which could help address labour shortages. Both the Council of Marine Carriers and the CFA called on Transport Canada to undertake consultations with marine stakeholders to review and modernize the regulations governing the crewing of ships.

28 Employment and Social Development Canada, [About the Sectoral Workforce Solutions Program](#).

29 Transport Canada, [Renewing the Marine Training Program](#).

30 TRAN, *Evidence*: Council of Marine Carriers ([Brief](#)); CMCF ([Brief](#)) and CFA ([Brief](#)).

SUPPLY CHAINS AND THE LABOUR FORCE

“Labour shortages are a pressing issue across all sectors. We have seen that when the transportation sector is not functioning properly, products do not make their way to consumers, materials do not make their way to producers, and notably the follow-on impacts affect all Canadians.”

Louise Yako

Task Force Co-Chair, National Supply Chain Task Force

Some witnesses explained to the Committee that the supply chain in Canada is highly integrated and that disruptions to any link in the chain, whether caused by labour issues or not, have a cascading effect.³¹ For example, Mr. Carey said that grain is transported from farm to elevator by truck, and then from elevator to port by train, and then from port to the final destination by ship. Similarly, Ms. Gowriluk said that a reliable and efficient transportation system is vital for Canadian farmers, because they are not paid if they cannot deliver their grain to domestic and international markets. In its brief, the NCFCA stated that Canadian farmers “compete globally and require governments to maintain a business environment that fosters success.” The NCFCA contended that the solution is to address the labour shortage for truck drivers and also to invest in transportation infrastructure such as roads and rail transfer and storage facilities.

Bottlenecks

Witnesses identified a number of bottlenecks that are currently affecting supply chain fluidity. Mr. Morel-Laforce provided one example, criticizing the fact that the St. Lawrence Seaway is currently operating at only 50% capacity. While he acknowledged that it may be difficult to increase capacity due to marine labour shortages, he believes that increased use of the seaway would “alleviate pressure on other modes of transport.”

Mr. Rodgers spoke of truck drivers having to wait in long lineups to pick up containers from rail yards and ports. According to him, traffic congestion is such that some drivers can wait up to seven hours just to get into a yard or terminal. Mr. Corey said that dwell times can be caused by a number of factors, such as inefficiencies at the intermodal yard

31 TRAN, *Evidence*: Carey (CCGA); Frost (Fertilizer Canada); Gowriluk (Grain Growers of Canada), Yako (NSCTF); Strickland (CBTU), Trucking HR Canada (Brief) and Morel-Laforce (Chamber of Marine Commerce).



or an issue on the railway end. As a result, he believes better supply chain coordination between stakeholders is needed. According to [Mr. Rodgers](#), long wait times make it difficult to recruit new drivers. In fact, [Julia Kuzeljevich](#), Director of Policy and Communication at the Canadian International Freight Forwarders Association (CIFFA), said that human resource issues in the supply chain are tied up with “the frustrations of the supply chain itself.” [Mr. Rodgers](#) added that CIFFA’s first recommendation to the federal government to address labour shortages in the transportation industry is to address bottlenecks.

[Mr. Millian](#) mentioned the Free and Secure Trade (FAST) program, which expedites trade across the Canada–United States border.³² He said that the FAST processing centres on the Canadian side have been closed since March 2020, which means that new truck drivers cannot get their FAST certification. As a result, those drivers have to wait longer at the American border, and they cannot haul dangerous goods in the United States. [Mr. Millian](#) added that the government officials who conduct the interviews on the Canadian side are U.S. officers, and that a solution must be found to bring them back to the Canadian side of the border to hold interviews again. Similarly, [Mr. Morrison](#) said there was a backlog of “over 350,000” applications for a NEXUS card, which speeds up border crossings for low-risk travellers.³³

National Supply Chain Task Force

Some witnesses urged the federal government to support the full suite of recommendations in the final report of the National Supply Chain Task Force.³⁴ They called on the federal government to implement a national supply chain strategy, as recommended by the task force, to address the labour issues in the transportation sector. [Mr. Rodgers](#) shared this view and added that, from CIFFA’s perspective, Canada has “a national trade corridors fund, but [it doesn’t] have a national trade corridors strategy.”³⁵ [He](#) agreed that the labour component has to go hand in hand with infrastructure investment.

[Ms. Yako](#) and [Mr. Gattuso](#) both highlighted the importance of a reliable and efficient supply chain for Canada’s economic wellbeing. They advocated for collaboration between the public and private sectors to better understand the current and future

32 Canada Border Services Agency (CBSA), [About the Free and Secure Trade Program](#).

33 CBSA, [NEXUS: Trusted traveller program for travel by air, land and boat](#).

34 TRAN, *Evidence*: [Frost](#) (Fertilizer Canada); [Gowriluk](#) (Grain Growers of Canada); [Carey](#) (CCGA) and [Veldman](#) (PRPA).

35 Transport Canada, [National Trade Corridors Fund](#).

labour issues associated with supply chain operations and to find solutions to address them. [Ms. Yako](#) also stated that establishing the Supply Chain Office, as recommended by the task force, was needed to ensure better coordination between the various federal departments involved in supply chain operations. She added that the objective is “more efficiency in how those regulations that affect supply chains are developed, monitored and managed.” [Mr. Gattuso](#) said that one of the roles of the Office would be to ensure that the federal departments involved have key performance indicators that are oriented to the supply chain. Some witnesses were in favour of establishing this office, or of designating a supply chain leader,³⁶ but [Mr. Buy](#) did caution that labour shortages were already an issue within government departments, and he was not convinced that “creating a big bureaucracy on top of everything” would be a good idea.

During his testimony, [Mr. Gattuso](#) referenced some of the recommendations made to the federal government in the task force’s final report. He said that the following recommendations would address the labour force issues directly:

- establish a transportation supply chain labour strategy;
- expand existing labour programs and examine a way to attract workers from under-represented groups;
- expand the TFWP as it applies to workers in the transportation supply chain;
- expedite refugee and immigrant processing for those eligible to work in supply-chain-related businesses; and
- support organizations and businesses to help newcomers acclimatize to Canadian work environments.

Data Visibility

To improve coordination between all parts of the supply chain, [Mr. Corey](#) said it is very important to collect just-in-time data so that shippers and supply chain operators can make decisions based on what is happening in the present. [Nick von Schoenberg](#), President of the Canadian Air Traffic Control Association, said, “We can’t address bottlenecks in the system if we don’t properly identify where they are.”

[Mr. Morel-Laforce](#) also pointed to the fact that the National Supply Chain Task

36 TRAN, *Evidence*: [Corey](#) (FMAC); [Morel-Laforce](#) (Chamber of Marine Commerce) and [Buy](#) (CFA).



Force highlighted “the need for more data sharing” in its report.³⁷ According to [Mr. Corey](#), more needs to be done to attract data management workers, because there are many job opportunities for highly skilled positions in the supply chain sector.

In addition to calling for improved data collection to have a better understanding of bottlenecks, some witnesses also called for better labour market data collection.³⁸ According to [Mr. Morel-Laforce](#) labour market data for the marine sector is scarce, and what does exist is usually out of date. The CMCF recommended in its [brief](#) that government agencies and the marine industry partner to establish a standardized methodology and data collection process for workforce data across the marine sector.

Benefits of Technology

During his testimony, [Mr. Gattuso](#) said that, regardless of advancements due to automation and artificial intelligence, industry stakeholders believe that “labour will continue to be a limiting factor for a reliable and efficient supply chain.” [He](#) expressed doubt that 43-foot trucks would be on the highway without drivers anytime soon. [Ms. Vanstone](#) said that the Department of Transport is well aware that the nature of occupations in the supply chain sector is constantly evolving and that integrating new technologies will require advanced skills. She said the department is taking steps to support this shift.

According to [Mr. Laskowski](#), the most significant benefit of technology in the trucking sector is for safety, naming driver-assist technology as an example. While he said “[t]echnology isn’t going to replace truck drivers,” he did say that it “might attract more people, because the trucks will be safer to drive.” Similarly, [Mr. Millian](#) said he prefers the term “driver-assisted” to “autonomous,” and added that the industry should promote the technological advances in trucks to attract young people.

[Mr. Morrison](#) said that technology can play a role in improving the air travel experience. He gave baggage handling, customs and security as examples of sectors where technology has proven useful in increasing the efficiencies of the “travel system.” [He](#) believes that technology should be used more in airports, adding that “biometrics could play a role in addressing labour shortages.” [Mr. Girard](#), NAV CANADA’s Vice President and Chief of Operations, said that NAV CANADA was implementing a number of

37 National Supply Chain Task Force 2022, [Action. Collaboration. Transformation.](#), Final Report, October 2022, pp. 25–27.

38 TRAN, *Evidence*: [Buy](#) (CFA); [Morel-Laforce](#) (Chamber of Marine Commerce); CFA ([Brief](#)); CMCF ([Brief](#)); [Splinter](#) (Trucking HR Canada) and Trucking HR Canada ([Brief](#)).

technologies, and gave the example of trajectory-based operations, which is very useful for air traffic controllers and “increases safety and efficiency.” As regards integrating new technologies in the aviation sector, [Ms. Tiessen](#) called for workers to be consulted more in the early stages, as did [Mr. von Schoenberg](#), who said that tech initiatives are promising, but he would like to see more consideration for “human factors.”

CONCLUSION

Throughout the study, various stakeholders in the transportation sector told the Committee about the current and future labour challenges they are facing. While each mode of transportation has its own particularities, many witnesses made similar suggestions about the need to diversify the labour force, promote jobs in these sectors to youth, improve working conditions, increase financial aid for training, recognize jobs in the transport sector as skilled trades, and streamline processes allowing foreign workers to fill vacant positions. With a view to improving the efficiency and reliability of the supply chain, some witnesses called for greater coordination between stakeholders and emphasized the importance of collecting data to identify bottlenecks and labour needs in real time.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Canadian International Freight Forwarders Association Julia Kuzeljevich, Director, Policy and Communication Bruce Rodgers, Executive Director	2022/10/05	32
Canadian Trucking Alliance Stephen Laskowski, President Geoffrey Wood, Senior Vice-President, Policy	2022/10/05	32
Teamsters Canada Mariam Abou-Dib, Executive Director, Government Affairs Omar Burgan, Director of Policy and Research	2022/10/05	32
Canadian Canola Growers Association Dave Carey, Vice-President, Government and Industry Relations Steve Pratte, Senior Manager, Transportation and Biofuel Policy	2022/10/17	33
Fertilizer Canada Nadine Frost, Director, Policy and Industry Standards	2022/10/17	33
Grain Growers of Canada Erin Gowriluk, Executive Director	2022/10/17	33
Private Motor Truck Council of Canada Michael Millian, President	2022/10/17	33

Organizations and Individuals	Date	Meeting
Trucking HR Canada Craig Faucette, Chief Programs Officer Angela Splinter, Chief Executive Officer	2022/10/17	33
United Steelworkers Union Luc Julien, Staff representative	2022/10/17	33
Canadian Ferry Association Serge Buy, Chief Executive Officer	2022/10/19	34
Chamber of Marine Commerce Maguessa Morel-Laforce, Director, Government and Stakeholder Relations	2022/10/19	34
Freight Management Association of Canada John Corey, President	2022/10/19	34
Air Line Pilots Association International Tim Perry, President, Air Line Pilots Association Canada	2022/10/26	35
Canada's Building Trades Unions Sean Strickland, Executive Director	2022/10/26	35
Canadian Air Traffic Control Association Benoit Vachon, Vice-President, St. Laurent Region Nick von Schoenberg, President	2022/10/26	35
Prince Rupert Port Authority Ken Veldman, Vice-President, Public Affairs and Sustainability	2022/10/26	35
WestJet Airlines Ltd. Andrew Gibbons, Vice-President, External Affairs	2022/10/26	35
Air Transport Association of Canada John McKenna, President and Chief Executive Officer	2022/10/31	36
Canadian Council for Aviation and Aerospace Robert Donald, Executive Director	2022/10/31	36
National Airlines Council of Canada Jeff Morrison, President and Chief Executive Officer	2022/10/31	36

Organizations and Individuals	Date	Meeting
NAV CANADA Jonathan Bagg, Director, Stakeholder and Industry Relations Ben Girard, Vice-President and Chief of Operations	2022/10/31	36
Pascan Aviation Inc. Yani Gagnon, Executive Vice-President and Co-owner Julian Roberts, President and Chief Executive Officer	2022/10/31	36
Unifor Kaylie Tiessen, National Representative, Research Department	2022/10/31	36
Department of Citizenship and Immigration Ian Gillespie, Director, Temporary Resident Policy and Programs Jean-Marc Gionet, Director General, Immigration Program Guidance	2022/11/02	37
Department of Employment and Social Development Andrew Brown, Senior Assistant Deputy Minister, Skills and Employment Branch Brian Hickey, Director General, Temporary Foreign Workers Program Michael MacPhee, Assistant Deputy Minister, Temporary Foreign Workers Program	2022/11/02	37
Department of Transport Melanie Vanstone, Director General, Multi-Modal and Road Safety Programs	2022/11/02	37
National Supply Chain Task Force Jean Gattuso, Task Force Co-Chair Louise Yako, Task Force Co-Chair	2022/11/02	37

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Automotive Industries Association of Canada

Canadian Ferry Association

Canadian Marine Careers Foundation

Council of Marine Carriers

National Cattle Feeders' Association

Railway Association of Canada

Trucking HR Canada

Unifor

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings No. 32 to 37, 53 and 54](#)) is tabled.

Respectfully submitted,

Peter Schiefke
Chair



Supplementary opinion

Report on the labor shortage in the transportation sector

By the office of Xavier Barsalou-Duval

Presented to The Standing Committee on Transport, Infrastructure and Communities

February 23rd 2023

Introduction

First, the Bloc Québécois salutes the members of the Committee as well as the committee staff for the professionalism they have shown and the work they have accomplished during this study and thanks all the witnesses and citizens who shared their perspective on labour shortages in the transport sector. Our supply chains depend on the hundreds of thousands of workers who painstakingly move the goods we and our industries consume every day. Recognizing their invaluable contribution and recognizing methods to make their jobs more attractive are an important part of this report.

However, it is also important to recognize the agency of provinces in the search for solutions to the labour shortage. The Bloc Québécois fights day in and day out to ensure that the jurisdictions of the provinces are respected and that the efforts of the federal government are focused on the jurisdictions where it can act. It is therefore essential to point out that some of the report's recommendations would have the collateral effect of eroding the exclusive jurisdiction of the provinces with respect to training and education.

Exclusive Jurisdictions

The Canadian constitution adopted in 1982 is the result of an agreement between the federal government and nine Canadian provinces. Québec, regardless of the government that it elected, has never put its signature under the document. The constitutional law still applies on its territory, and it is expected that the federal government respects the separation of powers between the levels of government.

Education is a clearly defined as the responsibility of provincial governments. The question is decided unambiguously by the Supreme Court. It is the opinion of the Bloc Québécois that recommendations 4, 8 and 15 of this report aim to encroach on the exclusive provincial jurisdiction in education. Recommendation 10, for its part, is drafted in such a way as to concern the question of education, but to request an intervention according to the federal spending power, recognized as legitimate on several occasions by the Supreme Court. Recommendation 4, for example, reads as follows:

“That the Government of Canada collaborate with provinces, territories and relevant stakeholders to align training programs and funding to support key transportation positions across transportation modes, and to establish programs aimed to standardize professional designations and ensure their transferability across Canada.”

The reality of work in each of the provinces, especially in Québec, is different from elsewhere in Canada. Removing agency from the provinces in the training of their workforce would create a workforce that is less adapted to the reality of the environment in which they work. It is therefore in the opinion of the Bloc Québécois

that this recommendation could not be implemented while respecting the exclusive jurisdictions of the provinces, as it requires direct intervention in professional educational curriculums.

Workforce pools

The report's recommendations that affect training and education are intended to help workers who live in a province with a labour surplus to be able to find a job in a province that is suffering from a labour shortage. This would allow the worker to find a job, reducing social service expenditures in the province of origin and increasing tax revenues in the province of arrival. However, we see little variability in the unemployment rates of provinces with more than one million inhabitants. There is no pool of unemployed workers who could come to fill available jobs elsewhere. The witnesses heard during the study in committee referred instead to the recognition of international credentials:

Provinces	Unemployment rate (01/2023)
Ontario	5,2%
Québec	3,9%
British Columbia	4,4%
Alberta	6%
Manitoba	4,2%
Saskatchewan	4,3%

"It [the Canadian Ferry Association] is also calling on the Government of Canada to consider recognizing, for naval officers and naval engineers, credentials from countries that meet the requirements of the International Maritime Organization."

The pool of available workers is indeed outside our borders, and it is rather on the recognition of their skills that the federal government should focus to allow a temporary reduction of the pressure on the local labour pool.

Conclusion

The labor shortage in the transportation sector jeopardizes our supply chains and the quality of life of workers in the sector. It is important to provide serious solutions that respect the Quebec and Canadian legal framework. Asking the federal government to act on training and education would not only be unconstitutional, but also counterproductive. Economic studies also show that in the medium or long term, immigration does not reduce the number of jobs available in an economy. It is therefore important to go further in the reflection and include incentives to increase productivity such as automation and continuous training to reduce the number of working hours necessary for the delivery of our goods. It is also important to consider fiscal incentives to encourage workers who wish to stay in the labor market longer before retirement.

**SUPPLEMENTARY REPORT
OF THE
NEW DEMOCRATIC PARTY OF CANADA**

Labour Shortages in the Transportation Sector

The New Democratic Party supports the findings and recommendations of the majority report, which details the issues facing Canada's Transportation sector when it comes to attracting and retaining employees. These include improving working conditions for employees across the transportation sector; addressing barriers to entry, especially for those in marginalized groups; and expediting immigration processing and credential recognition for foreign workers entering the transportation sector.

This supplementary opinion references additional testimony from the study in order to highlight issues and solutions not included in the final report. In particular, 1) the abolishment of "Driver's Inc."; 2) acknowledging safety concerns as a reason for low employee retention in the rail sector; 3) and improving collective bargaining conditions for airport screening officers. In addition, we share our view is that the report's recommendations regarding contract flipping for airport workers and federal funding for port gateway municipalities should be significantly stronger.

Driver's Inc.

The Committee heard testimony from four witnesses who called on the government to put an end to the problem in the trucking industry known colloquially as "Driver's Inc." These witnesses were Stephen Laskowski, President of the Canadian Trucking Alliance; Michael Millian, President of Private Motor Truck Council of Canada; Omar Burgan, Director of Policy and Research, Teamsters Canada; and Angela Splinter, CEO of Trucking HR Canada. "Driver's Inc." forces or encourages truck drivers to incorporate, which in turn allows companies to skirt labour standards; deny employees overtime, holiday pay and severance; and avoid paying income tax or federal taxes. As the committee heard from multiple witnesses, this practice can mean drivers are denied fair pay, benefits and working conditions, and thus it has a negative effect on employee retention in the sector.

As was pointed out in testimony by Mr. Laskowski, the Canada Revenue Agency already has existing laws against misclassified personal services businesses in the trucking sector. It is the New Democratic Party's recommendation that the Canada Revenue Agency increase compliance monitoring on personal services businesses in the trucking sector and carry out stronger enforcement against misclassification practices in order to protect drivers and increase worker retention in the trucking sector.

Rail safety

While the Committee's report acknowledges the rail sector could do more to improve safety for rail workers, it does not adequately acknowledge the effect that lax safety standards have on employee retention. As heard in testimony from John Corey,

President of Freight Management Association of Canada, railway workers leave the industry due to concerns for their safety on the job. In his testimony Mr. Corey stated:

“Both Canadian railways, CN and CP, often tout their safety records, but in reality I think they could do a lot more to make it a safe workplace. Much of that burden is borne by those employees. As you point out, many employees who think the rail industry is a good place to work find out that maybe it's not the best place they want to work in. Again, railways are driven by their operating ratios and meeting their quarterly numbers. That means “if we can save some money, let's do it”, and it often means cutting the workforce to achieve that quickly. That's very short-sighted, and it has consequences going forward. One of them is the poor performance of the railway, but also the safety of the employees.”

Airport screening officers

Throughout the study, the committee heard from witnesses concerned about how working conditions for airport screening officers, specifically salary conditions, insurance, pension plans, rotating schedules and pressure endured on the job, causes high rates of employee turnover. Screening officers are most often employed by contractors rather than directly by the Canadian Air Transport Security Authority, the agency ultimate responsible for airport security. Screening officers' collective agreements are negotiated with the contractor, which then asks CATSA for its mandate. Having contractors serve as intermediaries in this way is overly-complex and results in poorer working conditions for screening officers. As Luc Julien, Staff representative for the United Steelworkers testified:

“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.”

While the committee's report includes a recommendation for the government to support workers by working with the Canadian Air Transport Security Authority, employment subcontractors, and unions to improve working conditions, the recommendation does not address the issue in the witness testimony, which calls directly for CATSA to be directly included in collective bargaining negotiations with screening officers. It is the New Democratic Party's recommendation that the government allow collective bargaining agreement negotiations to include the Canadian Air Transport Security

Authority, employment subcontractor, and unions to improve working conditions and security officer retention.

Contract flipping

Kaylie Tiessen, National Representative, Research Department for Unifor addressed an employment issue for airport workers in her testimony. Many airlines contract out positions such as baggage handling, wheelchair handling and customer service to third-party suppliers. Common industry practice is that these contracts are changed (or flipped) to new suppliers every few years. The federal government has implemented regulations to ensure workers maintain their remuneration when their contracts are taken over by new suppliers. However, there are no regulations ensuring workers maintain their employment with new suppliers, or protecting workers' benefits and other entitlements – despite the work remaining the same.

While the committee's report includes a recommendation for the Government of Canada to consider changing the *Canada Labour Code* to implement full successor rights, it is the New Democratic Party's position that stronger language, recommending the government guarantee full successor rights for airport workers when their contracts are flipped to a new supplier, is warranted. By doing so, the government will improve employee recruitment and retention by providing more stable working conditions for airport employees.

Infrastructure investment in port communities

Canada's ports are vital to the strength of the supply chain, but rapid workforce expansion at large ports that are supported by smaller municipalities has put undue strain on these municipalities' infrastructure, which in turn affects workforce recruitment.

Ken Veldman, Vice-President of Public Affairs and Sustainability at the Prince Rupert Port Authority told the committee that Prince Rupert's workforce is fully employed but the port has trouble recruiting from elsewhere because the local municipality cannot meet the infrastructure needs for both housing and public services. This threatens to contribute to labour shortages at ports such as Prince Rupert.

Although the committee's report recommends the government consider the needs of gateway communities, it does not provide direction on how the government should meet those needs. As recommended by Mr. Veldman, the government of Canada should provide direct funding for smaller gateway municipalities to improve the infrastructure necessary to accommodate a growing workforce.

The New Democratic party urges the government, and all parliamentarians, to take decisive action to address labour shortages in the transportation sector by improving collective bargaining rights, working conditions and safety regulations to improve worker retention; as well as address barriers to entry to attract workers to the sector.

Recommendation 1

That the Government of Canada increase compliance monitoring on personal services businesses in the trucking sector and carry out enforcements against misclassification practices.

Recommendation 2

That the Government of Canada change the Canada Labour Code to implement full successor rights, ensuring airport workers keep their jobs, pay and collective agreements when a contract is flipped to a new supplier.

Recommendation 3

That the Government of Canada support screening officers by allowing collective bargaining agreement negotiations to include the Canadian Air Transport Security Authority, employment subcontractor, and unions to improve working conditions and security officer retention.

Recommendation 4

That the Government of Canada create a funding program to provide direct financial assistance to port gateway municipalities to increase capital infrastructure and support workforce expansion.