



AG-I MotorTec Inc.  
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*Below is the letter send to M.P. Kyle Seeback on July 10<sup>th</sup> 2023, regarding the recent dock workers strike on the west coast;*

Hello Kyle,

I'm the General Manager and a principal in AG-I MotorTec Inc. <http://www.ag-industrie.com/>

AG-I is a leading Canadian supplier of agricultural motors for barn ventilation. IE: Chicken, hog, cattle, etc. The motors are imported from China.

Our 12,000 sq. ft. warehouse in Orangeville services Ontario, Quebec and western Canada.

Particularly during times of hot humid weather, barn ventilation is CRITICAL for maintaining the ventilation required to keep the animals alive. Motor failures due to the heat can be a panic situation.

If the dock worker strike on the west coast doesn't end very soon, it's going to directly impact the supply of barn ventilation motors currently en route.

For the OEM fan manufacturers and field service organisations that rely on this supply, not having replacement motors during the peak summer season can be catastrophic.

This only one example of the far-reaching implications of the strike. There are others who are far more hurt by it and may also suffer painful financial losses that far exceed the value of a protracted strike.

This is also a very bad look for Canada. The west coast port infrastructure and attendant rail service is already overwhelmed, and substandard at best.

In this case, for "good of the many" should prevail. Please work to end the strike quickly!

Dave Mayle

General Manager



**AG-I MotorTec Inc.**



#### Additional Comments:

It's important to note that prior to the port workers strike, west coast container handling was still coping with a backlog caused by the pandemic, exacerbated by a rail strike in 2022 as well as delays caused by fire and weather events.

Vessels were sometimes delayed docking by as much as a month, and dwell time to get on rail was 10-21 days. The shortest portion of the trip was the ocean transit!

As an importer, we had to increase inventories to offset transit times that for years previous was 21-30 days, to as much as 90 days.

So, in 2023 with transit times slowly returning to "normal," importers were irked to see months of news stories about ILWU / BCMEA labour dispute, the 60 day mediation period, the "cooling off period" etc. On again, off again ... no progress... then The Strike..

AG-I had 4 ocean containers directly effected by the strike.. They carried a total of over 4000 electric motors. Some of the motors were for "stock" field replacement motors and the balance scheduled OEM motors committed to orders for immediate shipment.

Each of the OEMs businesses would be potentially damaged and unable to fill their order commitments if the arrival of the electric motors is substantially delayed.

Here are some examples:

-Scheduled shipment of 450 OEM motors and gearboxes for manufacturing in-home mobility equipment.

-1300 scheduled motors for OEM space construction heaters. This industry is VERY seasonal, and a substantial delay in production is painful.

-Over 2000 agricultural fan motors for scheduled OEM orders and field service.

The timing of the strike was a direct threat to our motor supply in the peak of the ventilation season which is June-September. During that period, especially if there's a heat wave, the network of service shops sees a steady stream of failed ventilation fan motors from agricultural barns. While the service centers carry a limited stock of replacement motors and replacement parts. it's incumbent on AG-I to keep replacement stock, so when it stops coming, it's a cause for great concern.

The "OEM" fan manufacturers have time-sensitive orders to supply ventilation fans for new barn projects / construction. Sometimes late delivery has financial penalties or even cancellation of the fan order. Contractors scheduled for the installation work are laid idle or go on to other work. Late deliveries can cause projects to be held over during winter causing financial losses.

-Due to the uncertainty of the duration of the strike, AG-I elected to ship the fourth container from China via the Suez Canal and on through Halifax. It was considerably more expensive,



and the transit about 60 days, but it least it would be reliable. It ultimately arrived on September 27<sup>th</sup> - near season end. To our chagrin, the strike ended shortly after the shipment left.

Due to the lateness of this shipment, at least one OEM missed their project deadline and had to work their entire operation on overtime and weekends.

Financial impact:

Due to the looming uncertainty of the strike's duration, we must assume the worst scenario; if the strike lasted 6+ weeks longer, the cash flow impact would force our company to incur debt for the first time to maintain functions and honour an important share sale obligation due at the end of September.

When importing from the far east, many companies are required to pay for the goods prior to shipment. Naturally, being out of pocket for the goods while they're being held "hostage" in a labour dispute will cause a cash flow issue directly proportionate to the length of the stoppage. We can't sell what we don't receive.

In AG-I's case, we had payments for the effected containers due to our suppliers of almost \$400K. U.S. for goods we hadn't received yet. As a direct result of this strike, payment to our supplier for the Halifax shipment was theoretically 30 days overdue when we received it. This could create real hardship or even failure of a smaller less robust company.

Though I support unions for the much good they do, conversely, there must be some hard limits placed on the damage a small group of 7500 dock workers can knowingly impose on 38 million Canadians across a broad spectrum; Same as applies to railroad personnel and other vital logistics workers.

Sincerely,

Dave Mayle

A handwritten signature in blue ink that reads "Dave Mayle". The signature is written in a cursive, flowing style.

General Manager  
AG-I MotorTec Inc.

