



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Transport, Infrastructure and Communities

EVIDENCE

NUMBER 032

Wednesday, October 5, 2022

Chair: Mr. Peter Schiefke



Standing Committee on Transport, Infrastructure and Communities

Wednesday, October 5, 2022

• (1635)

[*Translation*]

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

Welcome to meeting No. 32 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

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

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

[*English*]

Members of the committee, today we have appearing before us as witnesses, from the Canadian International Freight Forwarders Association, Mr. Bruce Rodgers, executive director, and Ms. Julia Kuzeljevich, director, policy and communication.

From the Canadian Trucking Alliance, we have Mr. Stephen Laskowski, president, as well as Geoffrey Wood, senior vice-president.

From Teamsters Canada, we have Mariam Abou-Dib, executive director, government affairs, as well as, in person here with the committee, Mr. Omar Burgan.

We will begin with opening remarks from the Canadian International Freight Forwarders Association, for five minutes.

The floor is yours.

Ms. Julia Kuzeljevich (Director, Policy and Communication, Canadian International Freight Forwarders Association): Thank you, Mr. Chairman, for inviting Bruce and me to speak on this critical issue.

[*Translation*]

Mr. Chair, ladies and gentlemen of the committee, on behalf of the Canadian International Freight Forwarders Association, or CIFFA, thank you for giving us the opportunity to appear before you.

[*English*]

Before we start, we'd like to compliment the committee for its diligence in chasing these issues, which are so serious and so com-

plex. It means a lot to all of us in the industry that you're looking for any solutions that government might provide.

The Canadian International Freight Forwarders Association—also known as CIFFA—represents some 300 regular member firms, from the largest of global multinational freight forwarding firms to small and medium-sized Canadian companies. CIFFA member companies employ tens of thousands of highly skilled international trade and transportation specialists. Our members are the front line of Canada's supply chain, managing the majority of freight shipments.

It's important to note that we also represent drayage operators—the truckers serving the ports and container terminals where you have seen such congestion in recent years—and the freight brokers, who manage the movement of cross-border trade.

The human resource problems in the supply chain are critical and are not getting better. Many of the problems are tied up with the frustrations of the supply chain itself. People used to make their money on speed and volume. Today, that's impossible in many areas. The system is, in effect, seized.

Mr. Bruce Rodgers (Executive Director, Canadian International Freight Forwarders Association): We have a short, less than two-minute video that one of our members recorded, which illustrates a small but contributing part of the problem. A copy of the video has been sent to the clerk.

In the video, you see 65 trucks lined up and waiting to get into one of the rail yards in Vaughan, Ontario. This is the equivalent length of approximately 40 football fields. These trucks are trying to return empty containers, which are required to facilitate export trade.

It is important to understand that these drivers make their money by moving containers between the rail yards, importers and exporters. As they sit idle, they are losing money. It is hard to recruit new drivers when everyone can see how hazardous a business it's become. Rising fuel and insurance costs only add to the problem.

The CIFFA member who recorded this told us he had eight drivers in line, and not one got into the yard that day. Their drivers waited in excess of five hours, only to have the gates closed due to terminal congestion.

By the way, this congestion in Vaughan is actually connected to Canada's west coast. Transport Canada put significant pressure on the rail providers, terminal operators and the Port of Vancouver to clear the backlog and ships at anchorage. The rationale was to facilitate the export of grain. We all understand that priority, but the improved flow in Vancouver doesn't indicate that we solved the problems; we just moved them further inland, to both Toronto and Montreal.

Unfortunately, our first suggestion to address workforce shortages is to fix the terrible problems affecting the supply chain.

Ms. Julia Kuzeljevich: As parliamentarians, you'll make your own decisions about how interventionist the government should be. Our laissez-faire, market-driven system has worked well for decades, but the transport sector is having trouble resetting itself. The chronic uncertainties that are frustrating consumers are also squeezing workers, and the problem is not getting better.

Last month, we asked the Canada Border Services Agency to consider returning to a clearance system they used until just a few years ago. This allowed goods to be released much more quickly, at first point of arrival versus when the cargo has arrived at the destination yard. We've copied the letter to this committee's clerk for your information. We want the committee to know that we are constantly engaging with the government on measures to alleviate delays.

We have a couple of specifics on developing the workforce. We would urge the committee to engage with training institutions to discover whether there are resources they need to up their volumes.

Across the Canadian economy, businesses need to temporarily recruit foreign workers to alleviate shortages. We've engaged with Employment and Social Development Canada on the national occupation classification system, which undervalues certain critical transportation management roles, thus discouraging immigrant workers from applying to work here.

Due to frustrations with the supply chain, employees are leaving this profession and moving to less stressful positions. As a result, our freight forwarding employers are moving to offshore certain functions to aid with current and future labour shortages. Due to the cost structure that this solution enables, many of these activities will not return to Canada.

One of our members commented that offshoring activities have increased from 10% of their workforce up to 25% now.

Finally, we're supportive of strategies to recruit women into these industries, where they're still a small percentage, but we need to recognize that women drivers in the trucking industry, for example, may have somewhat different lifestyles and responsibilities from their male counterparts. They may be interested in local but not transcontinental driving. Also, in the video, there were no portapotties along that long line, which is a problem for all drivers, and especially for women.

Thanks to the committee again for your attention to this issue, and we welcome your questions.

• (1640)

The Chair: Thank you very much.

Next we have the Canadian Trucking Alliance, and the floor is yours for your opening remarks.

You have five minutes.

Mr. Stephen Laskowski (President, Canadian Trucking Alliance): Thank you, Mr. Chair, and thank you, everyone, for the invitation.

I'm joined today off screen by Mr. Geoffrey Wood, our senior VP, policy.

Today we'd like to talk about what CTA is, issues in the supply chain, and solutions.

CTA represents about 5,000 trucking companies across Canada and employs about 250,000 Canadians directly.

One of the questions before the committee today is this: What are the implications of the driver shortage in Canada, and what are its solutions? The implications of the driver shortage are being felt by all Canadian businesses and households today.

There is an old saying in our sector: "If you got it, a truck brought it." That saying is a reflection that over two-thirds of our trade by value and almost everything in our workplace or residence was once in a truck, and in some cases, multiple trucks. However, what that saying is really missing is the major economic contributor to our sector and to the Canadian economy: truck drivers themselves.

In 2022, we are learning as a society that if we didn't get it, it's because we're short close to 30,000 commercial truck drivers in Canada today. That's 30,000 vacancies. What that really means is that there should be 30,000 more trucks in the supply chain that aren't there because we don't have people. What does that mean? It means our export and import market and our domestic market isn't functioning properly.

In late spring 2022, CTA hired Nanos and Associates to survey a sample of our board of directors. This sample represented about 39,000 trucks, 40,000 employees, and about 2.2 million annual loads.

Without question, it was almost unanimous that the number one issue facing our industry and their business is the existing staff shortage and exits and retirements.

As the Government of Canada looks to address the supply chain crisis, we remind this committee that by addressing the truck driver shortage, you are addressing all sectors of the economy to help them emerge from the supply chain crisis and the disastrous impacts of inflation.

The solutions are as follows: Improve the trucking industry's access to immigration; improve our access to training dollars; stamp out the underground economy, which we refer to as Driver Inc.; take a phased-in approach to the 10 paid sick days; and address border concerns.

CTA's recommended approach to these issues are reasonable common-sense solutions that require no new legislation or special treatment for our sector but merely an extension of current practices, access to programs, tools and funds provided to other sectors, or, in the case of the underground economy and Driver Inc., the enforcement of laws and regulations that are currently on the books.

Some of the above issues appear to be going down a very positive road with the Government of Canada. For that, we are very grateful to the various ministries and ministers we're working with. Other critical matters remain a point of significant concern for our sector and for all those who rely on reliable, safe and labour-compliant trucking partners in a time when truck capacity is low.

CTA stands ready to work with the Government of Canada in a collaborative manner as our sector enters a very tenuous and critical time in its history.

Thank you very much.

• (1645)

The Chair: Thank you very much for your opening remarks.

Next we have Teamsters Canada.

You have five minutes. The floor is yours for your opening remarks.

Mr. Omar Burgan (Director of Policy and Research, Teamsters Canada): On behalf of the 125,000 men and women who are members of Teamsters Canada, I would like to thank the chair and members of the committee for inviting me to speak before the transportation committee on the topic of vacancies in the transportation industry.

In addition to working in the hospitality, tourism, trade show and sports entertainment sectors, the vast majority of Teamsters members work in the transportation industry, which includes road, rail and air transport. Teamsters Canada is Canada's largest logistics and transportation labour union.

Let me begin by speaking about the freight trucking industry.

[*Translation*]

Today, truck drivers are a very important link in the supply chain. The health of the sector has an impact on its clients' capacity to do business, as well as on consumers themselves.

According to Statistics Canada, over the last 20 years, truck driving has become one of the most important occupations in Canada, representing 278,000 jobs in 2016. We estimate that 90% of goods shipped in Canada are transported by truck at some point.

[*English*]

Despite the economic importance of the sector, we've been seeing for some time that fewer new workers are attracted to truck driving. In conjunction with the median age of drivers rising rapid-

ly, Statistics Canada data also shows very high levels of job vacancies, reaching over 26,000 vacancies in Q2 of 2022.

This level of vacancies was accurately predicted by the Conference Board of Canada almost 10 years ago. In their 2013 report, they recommended that policies be put in place to increase the attractiveness of truck driving, including recognizing truck driving as a skilled trade. In addition to ensuring the proper training of drivers and increasing road safety, this would provide incentives for young people to enter the industry, including by helping to remove prohibitive licensing fees.

Skilled trade recognition would also create easier pathways for entry into the industry, so prospective drivers can avoid unscrupulous fly-by-night employers who are cheating vulnerable workers, including new immigrants or temporary foreign workers, by not paying them what they are owed or engaging in a scam known as Driver Inc., which forces employees to incorporate so the company can skirt labour standards. We're glad the current government has improved the enforcement of labour laws, with penalties on Driver Inc. schemes, and hope more will be done to protect workers from these types of practices.

[*Translation*]

We must remain vigilant, however. An investigation in Quebec uncovered a criminal network selling fraudulent motor vehicle licenses to newcomers who wanted to become drivers. These fraudsters were able to take advantage of vulnerable workers as well as desperation in the industry, which is not attracting enough drivers.

[*English*]

Another major issue for truck drivers is the growing crisis of inadequate rest areas, especially in more northern areas of Canada. Drivers describe chronic inadequate access to truck stops, which makes rides longer and exhausting, and prevents drivers from getting access to meals. This problem is even worse for women. While there has been an increase in women drivers in recent years, they still remain vastly under-represented. Safe and welcoming rest stops, including access to showers, would make work much less exclusionary for women.

In the rail sector, members report a very high turnover within two years of initial hires. Rail companies are over 150 years old and have often failed to bring working conditions in line with the current century and the expectations of a newer generation of workers. Rail workers are still commonly expected to be at the beck and call of management 24-7, whether it be on weekends or holidays, or even when they've scheduled their annual vacation. Workers can often be called in for a 24-hour shift with only a two-hour notice. Some companies have draconian disciplinary policies, whereby they apply a 20-day suspension without pay, for which members lose 10% of their annual pay. This is in addition to other measures, such as inward-facing cameras that record workers' every conversation, that create an incredibly discouraging work atmosphere that many simply abandon.

Workers in the parcel delivery industry are also often faced with a squeeze on working conditions. In addition to the downward pull of Amazon on working standards across the industry, expected productivity is at levels never seen before. While there was a time when delivery people would expect 80 parcels a day, now the expectation is 140 parcels every day.

The entire transport industry must adapt by offering better working conditions if it wishes to attract a new generation of workers, because, as soon as a different sector offers them a better life, they will go there instead.

Lastly, I will add that when workers are members of unions, they're able to leverage their collective bargaining power to negotiate on a level playing field and improve their terms of employment. It has been shown, repeatedly, that countries with higher union density have lower levels of income inequality and better working conditions. We need good laws that make the process fair for workers to join unions.

• (1650)

Thank you to the committee for listening to my remarks, and thank you to the parliamentary staff and interpreters for making these meetings possible.

The Chair: Thank you, Mr. Burgan, and thanks to all witnesses for their opening remarks.

We will begin today's round of questioning with Ms. Lianne Rood.

Ms. Rood, the floor is yours. You have six minutes.

Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair, and thank you, witnesses, for being here today.

I am from a rural area, and I come from the agriculture sector, so I understand more than most people how vital the trucking industry is—especially for us to be fed, first and foremost. We can talk about everything else in our house, but if we don't have food, we are not in a good situation. Delivering goods, especially food to grocery store shelves for Canadian consumers, is obviously a priority.

I've heard all the witnesses today talking about shortages and breaks in the supply chain, whether it's at a rail yard or the ports. It has an effect all the way down the chain, and we've seen that

throughout COVID—seeing major food spoilage, and shipping containers not arriving on time because trucks were not available to bring the food quickly enough to the distribution centres.

I am just curious, and perhaps this is a question for Mr. Rodgers. Can you comment on how this labour shortage is leading to increased costs for Canadians for their food supply? I think you said the fuel costs have gone up, and that's one of the things we've seen. What effect will increasing the carbon tax have on fuel and the already high cost of shipping goods to our store, going forwards?

Mr. Bruce Rodgers: You're bringing up some excellent points. I won't say that costs are just going up in fuel and insurance. They are going up in everything.

If you're bringing product in from outside of North America, the ocean line shipping costs have increased tenfold from what they were, and I'm going back to where those costs were six months ago. They have now started to come down due, basically, to a supply and demand situation. The costs now, we're hearing, are back to 2018 levels, so that's normalizing from a certain standpoint.

However, the changing patterns that have occurred through COVID, where the imports have definitely increased coming into North America, have had a significant effect on congestion. Our ports have not expanded. We have no more land to put the product on, so congestion is a part of the supply chain.

What we are experiencing now due to the backlog that was created out of Vancouver and the ships at anchorage.... In order to clear that backlog, they moved the product into central Canada, into Toronto and Montreal. The rail yards you used to have.... One had three yards in Toronto; it now has nine. One had one; it now has two. Equally, they have expanded into the Montreal area as well. Because of that, containers are being split. We don't know where the containers are. They are just added congestion to these additional yards.

Because these yards have opened up as well, the rail yards have additional expenses. The rail yards have changed their demurrage and detention charges. They are now charging, really, after 24 hours, so they have reverted from 72 hours on demurrage and detention to 24 hours. In addition to that, there is the cost of movement from the rail yard to these additional container yards that have since opened up, and we figure that the average cost for an import container now has increased about \$1,500 from what it was prior to this congestion's being created.

You're talking about the cost of increases on food. There are increases on everything that is being imported into this country at this point in time, due to the congestion issues that have resulted through the supply chain.

Ms. Lianne Rood: Thank you very much for that.

You alluded to this earlier. This crisis has been made worse by the labour shortage crisis and by high inflation and high fuel costs. Some groups I have met with and groups we have heard from have brought up that temporary foreign workers may be a solution to some of these problems. However, I know from experience in the agriculture sector that TFWs are not a permanent solution. There are also many logistical and regulatory challenges with bringing them to Canada and, obviously, ensuring their safety, as the Teamsters have alluded to.

I'm curious whether you believe TFWs are a viable option for the transportation sector. If we have time, I would like to hear just a brief answer from the Teamsters as well, please.

• (1655)

Mr. Bruce Rodgers: I will be very brief. I'm going to say yes. I think there is significant opportunity to bring foreign workers in on the driving sector.

What we're finding in Canada today is that the younger generation are not aspiring to be truck drivers, so we have to find them somewhere. I think immigration is the way to go.

I will defer to my friends at the Teamsters to offer further comment.

Mr. Omar Burgan: The Teamsters' position is that we should more consider immigrants who are on a path to citizenship. I think, as you mentioned, temporary foreign workers are a very temporary solution. We would prefer to see things like considering the trucking industry or trucking as a skilled trade in order for better training, and having the same standards across the country for any migrant or temporary foreign worker who comes to work those jobs.

Ms. Lianne Rood: Thank you for that.

Part of what we're hearing, though, is that we need to have really good public policy that is compassionate and fair towards new immigrants and that is attracting people into different skilled trades, because that's good public policy and supports new Canadians as they try to integrate into Canadian society.

Thank you so much for those answers today. I know my time is up.

The Chair: Thank you very much, Ms. Rood.

Next we have Mr. George Chahal.

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

Mr. George Chahal (Calgary Skyview, Lib.): Thank you, Mr. Chair, and I want to thank all the witnesses for joining us today.

I just want to give a little context. I represent Calgary Skyview, which is northeast Calgary and home to many truck drivers and trucking and logistics companies, so I have had many opportunities to engage through trucking town halls and meet and greets with members of the industry, who do a tremendous job across the country.

Mr. Laskowski, I want to start with you. You talked about 30,000 trucking vacancies and shortages. What does that look like a few years from now? If you look at five years out, what do you antici-

pate based on the data? Is your data accurate, and do you think it's reliable that we can project out five years from now? What do the numbers look like then?

Mr. Stephen Laskowski: The most recent projection we have with regard to the driver shortage goes out two years, and that estimate is 50,000 people short. What that really means—I say it again—is that 50,000 trucks are needed in the supply chain. They aren't moving, and they aren't moving customers' goods, whether across the U.S.-Canada border or across Canada.

Mr. George Chahal: What part of the workforce do you see retiring over the next five years?

Mr. Stephen Laskowski: We have the oldest workforce in Canada, with the largest percentage over the age of 55, and as we all saw with COVID in multiple sectors, people in that age group rapidly accelerated their retirement plans.

We are seeing that in our sector, so we are short today. We expect to be short 50,000 in another two years, and we are dealing with the other factor of having one of the oldest workforces in Canada.

Mr. George Chahal: Thank you.

Mr. Burgan, you spoke about looking at drivers and citizenship. I just want to make sure I'm clear on that remark, because many of our drivers are permanent residents and/or citizens, and many do come in as foreign workers as well.

Could you clarify that for the record, just in case you misspoke, or was that what you were intending to say?

Mr. Omar Burgan: That is what I was intending to say. You're saying that currently a lot of drivers are permanent residents or on the citizenship path. That's correct, and that's great. I think if you look at the jobs from a market perspective, there's a high need for them, so from our perspective it's because these jobs are unattractive to most people living in Canada or to a lot of the new generation.

The industry has to find ways to make them more attractive, whether by offering a better work-life balance, better pay or better pensions. We hear constantly that a lot of people will take up the job and after a while say, "You know what, I can't do this. It's not worth it. I'm constantly away from friends and family." We think the onus should be on the industry to examine why it can't attract people, because there are workers everywhere.

There's an unemployment rate. We don't have 100% employment in Canada, so I think it's just a matter of attracting people who might have gone to other industries where they felt like they could have a better life.

• (1700)

Mr. George Chahal: I just want it to be clear so there are no misconceptions. Many foreign workers come and apply to become permanent residents and then apply for citizenship. That's a part of that process, and I'm grateful to all of those who go through that, because it's important for the industry.

I have a question for the CTA on truckers' rights. I'm looking at the different provinces across Canada with different experience, rules and insurance requirements. Do you believe that we need to have some sort of a bill of rights for drivers?

I'll start with you, Mr. Burgan, on that and then go to the trucking alliance.

Mr. Omar Burgan: Your question is whether there should be a bill of rights for—

Mr. George Chahal: I mean to protect drivers' rights. We've seen a number of challenges in Peel Region, a number of stories in the Toronto Star, and in Alberta as well. How do we ensure that those drivers are trained, but also that as drivers they have their rights protected so they're not taken advantage of? You've talked about the underground economy, Driver Inc., and how different provincial rules across the country may be contributing to that.

Mr. Omar Burgan: The Star report you referred to was an excellent report. We've seen citizens' groups step in out of frustration that the process whereby these members would grieve.... First of all, they aren't unionized, so they don't have a union they can go talk to with respect to representation, but even the process through the federal labour laws is very lengthy and onerous. They do not see any resolution, so they've taken the very non-traditional means of simply publicly shaming employers who are not even paying them what they're owed.

I think what would help would be either if they joined a labour union so they would have an institution that protected them from such practices or, in the absence of that, if there was better enforcement of the rules so that companies wouldn't be so tempted to abuse their workers.

Mr. George Chahal: Mr. Laskowski, would you like to comment on that?

Mr. Stephen Laskowski: Absolutely. We are strong advocates and supporters with regard to this particular issue, and I'm glad you asked the question.

We believe that whether it's training dollars for people who are Canadian citizens currently going through programs or for people who are new to Canada coming through various immigration programs, we need programs for trucking companies, but we want them screened. They should be known employers that have the highest work standards and that are committed to safety, so we can ensure that the labour rights and the working rights of these needed workers—people who are already Canadian citizens or permanent residents or temporary foreign workers—when they go to work for the thousands of compliant trucking companies, are taken over, and this can be done.

The Chair: Thank you very much, Mr. Chahal and Mr. Laskowski.

[Translation]

Mr. Barsalou-Duval, you have the floor for six minutes.

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

Mr. Laskowski, during your opening statement, you talked about the problem of the underground economy in the trucking sector.

Since I am not familiar with this situation, could you tell us more about it?

[English]

Mr. Stephen Laskowski: Sure. 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.... It's not allowed now, but they misclassify them 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. It becomes a black hole in our sector, and it's not a small black hole. It's estimated to be between 20% and 30%.

CTA commissioned a study, using Statistics Canada data, which showed that our sector, in cities like Calgary, Winnipeg, southern Ontario, Montreal and Halifax, has the fastest growth in what's called zero-based employee companies of any sector in Canada. Anybody second to us is not even close. This is Driver Inc., and it has to stop.

What it's doing to other companies is that over 50% of drivers are going to companies across Canada and saying, "I want to be paid the incorporated model. I don't want to be on your payroll."

If CRA doesn't step up soon, we have a big problem. We are going to have a major, major problem. Our industry wants this stopped. The compliant drivers want it stopped, and the drivers who are being abused want it stopped. We need the assistance of the Government of Canada, particularly CRA, very quickly on this issue.

Minister O'Regan has already said that he will step up. He has disavowed this in the House, but we need action, and we need it quickly.

• (1705)

[Translation]

Mr. Xavier Barsalou-Duval: Mr. Burgan, do you have any comments to add?

Mr. Omar Burgan: The Canadian Trucking Alliance did excellent work in this case. I regularly consult its resources on this issue, which is a real problem for the industry. Companies have found a way to neatly avoid paying any compensation for overtime or vacation. It is a big problem, and it has gotten worse. As mentioned by Mr. Laskowski, many companies own trucks, but they don't have a single employee.

According to the CRA, if everything points to an individual being an employee, they are an employee. They can't just use a scheme to try and avoid labour laws. But that's exactly what these companies are doing.

Mr. Xavier Barsalou-Duval: Mr. Laskowski, earlier you talked about the challenge of aging truck drivers, and you said it was difficult to recruit younger ones.

Do you think that incentives to retain experienced workers, including tax incentives, could be part of the solutions that might help?

Have you thought about other measures the government could implement in this area?

[English]

Mr. Stephen Laskowski: As an alliance, we really haven't looked at that aspect from the Government of Canada. Other provincial associations may advocate down that avenue. Our board hasn't examined that particular issue.

I can assure you that driver pay has gone up over 20% to 30% over the last two years. Incentives have gone up. Companies work with their drivers to pick routes they want to go to. There are market solutions to this. They're being worked on. From the Government of Canada, we really need training dollars to help onboard people onto the trucks very quickly. It's our number one priority with regard to what we'll call incentives.

Just because you have a driver's license that qualifies you to operate a tractor trailer, that doesn't mean you're ready to work in the trucking industry. That comes with significant cost. Many sectors have apprenticeship-type onboarding programs. We have zero access to those types of programs and those dollars. That needs to change.

Those are the programs that we would like to see move forward with the Government of Canada and the trucking industry. Again, let's not reward the underground economy and give dollars to those companies. Let's give the dollars to vetted trucking companies that follow safety practices and maintain high labour standards.

[Translation]

The Chair: Thank you very much, Mr. Barsalou-Duval.

[English]

For the next question we have Mr. Bachrach.

The floor is yours. You have six minutes.

• (1710)

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair, and thanks to our witnesses. This is an interesting and important topic.

I wonder if I could pick up where Mr. Barsalou-Duval left off on this Driver Inc. scheme. It's something I'm not very familiar with, but it seems like a serious issue.

I wonder if either Mr. Laskowski or Mr. Burgan have thoughts about the specific remedy that's needed. Is it a legislative remedy? Do we need to make changes to the Income Tax Act? How does the government prevent this kind of scheme from happening? Is it simply a matter of increasing enforcement and CRA resources to go out there and ensure compliance?

I know in other sectors there are pretty clear definitions of what constitutes an employee versus a contractor in terms of providing the facilities of work. If you're a contractor, you have to provide your own office and your own equipment, and that kind of thing.

Is this a matter of those rules not being consistently applied across sectors? Is it a matter of not having enough proactive enforcement? Are there changes that we can advocate for through our report that would help address this situation in a legislative way?

Maybe we could start with Mr. Laskowski, and then Mr. Burgan could add his thoughts.

Mr. Stephen Laskowski: Really, sometimes life is more complicated, and sometimes it is really easy. In this one, CRA needs to enforce the laws that are currently on the books. There is no legislation required. From a CRA perspective, enforce the laws on the books.

From an ESDC perspective, ESDC is out in the field. I believe the Teamsters mentioned that earlier. Companies are being addressed. We'd like to see—and I'm sure the Teamsters would too, but I don't want to put words in their mouths—that for these companies that are found guilty and in violation from an ESDC standpoint, every single driver who is entitled to it receives his or her back pay.

With regard to the CRA, ESDC is discovering dozens of companies in gross violation. Our request is really simple to the CRA: Why aren't you seeing the same companies and auditing the same companies that ESDC is finding in gross violation of Driver Inc.? To us, it's a matter of enforcing the law.

Mr. Omar Burgan: We agree. We have heard that up till now there's been very little enforcement. When there has been, it's been just a slap on the wrist—a very small financial penalty. Any enforcement has to really be....

A lot of drivers are lured into this. They are just seeking work and a paycheque. They get told by the company that they can make way more money if they just incorporate, and that they do it all the time. Workers get drawn into this and then further down the line they figure out that it's not something that should have been done.

We think that by now most employers are aware that this is a scheme by which they are bypassing labour laws. We think that penalties should be placed on the employers for engaging in such practices.

Mr. Taylor Bachrach: Thanks, Mr. Burgan.

Following up on that, maybe this is self-evident, but does this underground economy create downward pressure on the overall conditions of work across the sector?

Mr. Omar Burgan: Absolutely, and we hear members telling us about it. Members who over time have organized and have solid working contracts say that their employers will tell them they're having trouble competing with the companies that are cheating. As a result, they start telling the workers who have decent working conditions that they need to consider cutting down on them, because they can't compete with the companies that aren't following the rules.

It penalizes workers who have organized their workplaces and negotiated solid contracts and good working conditions, and it also penalizes companies that actually respect their workers and follow the rules.

Mr. Taylor Bachrach: Mr. Burgan, you mentioned unionization and the advantages of having the protection of a union. Across the sector, do you have numbers in terms of the percentage of unionization? Also, do you have a sense of whether there's a gap both in the ability to recruit to unionized versus non-unionized positions and in the compensation for those positions? There must be statistics on how truck drivers are paid by unionized and non-unionized employers.

• (1715)

Mr. Omar Burgan: There definitely are. I don't have any of those statistics on hand.

It goes without saying that when you get the opportunity to negotiate, you get good working conditions and you get better working conditions, and you have the leverage of the labour union in order to obtain those, especially with things like enforcement. The two things unions can do for workers are to negotiate contracts and to enforce those contracts. Throughout my work experience, and even in my personal life, for workers who face bad employers without the protection of a union, it's a lot more work to get those employers to follow the rules and treat workers with respect.

As I mentioned, it was actually much easier earlier in the century to form unions. A lot of provinces have put in place two-step laws for unionization, to allow employers to break down unionization drives. We're seeing now that some provinces—notably B.C.—have the card check law, which makes it a lot easier and fairer for workers to organize their workplaces.

The Chair: Thank you very much, Mr. Burgan and Mr. Bachrach.

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

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

Permit me, if you will, to editorialize for a moment. I know that all members of the committee will probably agree, because we're going to get to the report-writing stage of this, obviously, after a few meetings.

The title on the notice of meeting is “Anticipated Labour Shortages in the Canadian Transportation Sector”. I would suggest that if we're talking about a 30,000 to 50,000 shortage of truck drivers, it's not “anticipated”. It's now. I think we've heard that from the witnesses. It's just that “anticipated” implies perhaps the lack of a sense of urgency. I'm sure we agree, but I'm just going to make that point right up front.

We've heard about temporary foreign workers, the pathway to citizenship and encouragement of the immigration of skilled trades as potential solutions to the shortage of truck drivers we have currently. I spoke to businesses as recently as last Friday who've had issues getting skilled trade workers through the IRCC processes—as I know and we've all witnessed—and through the various federal

government processes. What used to take three months or less is now taking 10 months, and it's often worse.

Maybe you can elaborate on how as a federal government we can reduce some of the hurdles and get workers in faster, whether it be through the temporary foreign worker process or the various other immigration streams.

That's for either the freight forwarders or the CTA, who referenced that, or certainly the Teamsters. That's for anyone who wants to comment.

Mr. Stephen Laskowski: I'll jump in.

I want to applaud Minister Fraser, who's already made a significant announcement. The change isn't in place, but the trucking industry, specifically the truck driver, will become part of the express entry program. That was a significant change and a significant announcement. Some details still have to be worked out on this, but we'd like to see drivers made a priority within the express entry program for 2023. Again, working with the folks at the express entry program, we'd like to ensure that the drivers brought in through the program will end up with trucking companies with the highest labour and safety standards.

We applaud Minister Fraser and his team for announcing this direction. We very much look forward to working with them in a collaborative manner to make sure that drivers are a priority in 2023 and to make sure, to the best of our ability, that these people coming to Canada end up with labour-compliant trucking companies and not being abused as you read in that Toronto Star article.

Mr. Dan Muys: All right.

To the CTA, in terms of staff retention and staff recruitment—obviously, they're two different things—you referenced training funds as the number one priority. That makes sense from the staff recruitment perspective. What are the top three things that could be done in terms of retaining existing drivers and then recruiting new drivers to the process?

• (1720)

Mr. Stephen Laskowski: Mr. Chair, is that question for CTA or for the panel?

Mr. Dan Muys: I referred to your previous comment about training dollars, but maybe you can elaborate on the top few things from the perspective of both retention and recruitment.

Mr. Stephen Laskowski: Sure.

Currently, the trucking industry has zero access to training dollars other than through what I'll refer to as, and I'm not trying to belittle them, more one-off programs. We would like to see almost an apprenticeship-like program, whereby once an individual goes through the mandatory entry-level training in our industry, they have the ability to drive either a straight truck, as we call it in our industry, or a tractor-trailer.

Really, what is needed now, especially with 30,000 individuals short, is the training dollars to onboard people. Just because you have the licence, it doesn't mean you're ready to drive a truck. Again, what we want to see is good companies rewarded with training dollars to help them onboard. Typically, you'll need two people in the truck. You're not going to put that person on the long haul. You start them off on shorter hauls. This is all to make sure that things are done safely, that people are integrated into our industry in a safe manner, and that they will stay in our industry.

Really, this is what it's about. Number one, let's make the dollars available to our industry to help onboard these people; and number two, let's make sure these dollars go to companies with the highest labour and safety standards.

The Chair: Thank you very much, Mr. Laskowski, and thank you very much, Mr. Muys.

[*Translation*]

Mr. Iacono, you have the floor for five minutes.

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

I thank the witnesses for being with us today.

My first question is for Mr. Burgan.

Mr. Burgan, in your opinion, what are the most critical labour shortages in your sector, namely transportation?

Mr. Omar Burgan: The number of vacancies in the trucking industry is the problem we've been talking about the longest. As I said, a labour shortage was predicted as far back as 2013, when the report by the Conference Board of Canada came out. That was before the pandemic and the supply chain crisis. There was a lot of talk in that report about making the trade more attractive.

However, as I noted earlier, there are a lot of pressures in the rail sector as well. The data is approximate, since we don't have statistics on it, but what I've learned is that a company will hire 100 people, but often only 20 will be left two years later.

When it comes to working conditions, I mentioned rail workers being monitored on camera, but companies want to enforce other very arbitrary regulations. For example, employees are not allowed to use mobile phones, even when it is safe. So, the employee is going to find themselves...

Mr. Angelo Iacono: Is the situation the same for people transporting containers?

Mr. Omar Burgan: Are you talking about trains or trucks?

Mr. Angelo Iacono: I'm talking about people who transport them by train or by truck.

Is their situation the same?

I'm asking the question to get a better idea of the most affected sectors. If the problem isn't solved, I'd like to know which sectors will be the most problematic.

Can you give us more details about the most seriously affected sectors?

Mr. Omar Burgan: It's hard to say.

We haven't studied vacancies in the rail sector as closely. Right now, we are focusing more on the crisis in the trucking sector.

As noted earlier, Statistics Canada publishes numbers every quarter. The last time I checked, there were approximately 26,000 vacancies. This occupation has the second-highest number of vacancies among all those analyzed by Statistics Canada. The crisis is affecting this sector more seriously.

• (1725)

Mr. Angelo Iacono: Thank you, Mr. Burgan.

Ms. Abou-Dib, in your opinion, what is the most important measure to address the labour shortage?

Would it be a matter of offering more training programs, considering specific immigration categories, more automation or something else?

What do you suggest to the committee today?

Ms. Mariam Abou-Dib (Executive Director, Government Affairs, Teamsters Canada): Thank you, Mr. Iacono.

Good evening, everyone.

There is no universal solution to the trucking sector labour shortage. We really need to look at the trucking sector more broadly.

The issue is determining how to make the industry more attractive for youth and women.

Currently, there are young people and women who don't have a job, but are looking for one. And yet the sector is experiencing a labour shortage.

We need to invest in training, but also make the sector more attractive.

We need to value the trucking sector. To do so, we must recognize that it's a professional sector. Currently, employer associations and unions need to get on the same wavelength, which is significant. The trucking sector needs to be recognized as a professional sector. Not everyone can become a trucker. They have to pass a test to get their license, and there are training and apprenticeship programs, just like in the construction sector.

We therefore need to value the trucking sector, just as we value the construction sector.

Mr. Angelo Iacono: Thank you.

The Chair: Thank you very much, Mr. Iacono and Ms. Abou-Dib.

Mr. Barsalou-Duval, you have the floor for two and half minutes.

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

I will address Mr. Laskowski first.

Mr. Laskowski, so far we have heard a great deal about the trucker shortage. However, among the means considered to solve problems, there is that of accomplishing the same amount of work with fewer workers.

Is it possible to implement certain technologies or take certain measures to reduce the amount of personnel in transportation?

I'm asking the question very openly. I am aware that, if there is no driver in the truck, nothing moves.

We are not yet at the stage of self-driving cars, but perhaps there are other solutions I don't have in mind.

What do you think?

[*English*]

Mr. Stephen Laskowski: I don't think the issue here is about technology per se. We're looking at technology this way: Driver-assist technology is making trucks safer in terms of the truck itself, the vehicle. If you are aware of how to use that vehicle in a safe manner and have been given proper training and proper onboarding, we can move the economy more safely. I think that's the most important part of technology.

If we have a properly plain driver, one who's been onboarded in a safer truck with more modern technology, that's when CCA rates to encourage more technology coming on to the trucks could be used from the tax incentive side. That's one approach.

[*Translation*]

Mr. Xavier Barsalou-Duval: I'd like to come back to Mr. Burgan.

Mr. Burgan, you talked about how the sector is unattractive, and highlighted that it's important to offer good working conditions.

If we were to implement certain technologies resulting in less driver fatigue or a more pleasant work experience, wouldn't that lead some to drive a truck? Then they wouldn't be exhausted when they get home and would feel like they are getting some support.

• (1730)

Mr. Omar Burgan: You are absolutely right.

That would be the case for any measure that helps to reduce fatigue. I mentioned the lack of truck stops. Truck drivers often tell us that they have to extend their trip, and that means skipping meals or rest. That really generates frustration and fatigue. They all agree that the sector is vital to the economy, but if they are constantly exhausted and away from their families, their personal choice will be to find work elsewhere.

Any measure that could make their work easier, whether it be technology or anything else, would be beneficial.

The Chair: Thank you very much, Mr. Burgan and Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Bachrach.

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

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

Mr. Burgan, you mentioned that among rail workers you hear a lot of concern about the scheduling and the nature of the shift work. I believe you called it "the beck and call...24-7". It reminded me of some of the testimony we heard as part of our study on rail safety from workers in the rail sector. I was remembering a conversation with a young man in my home community who worked for the railroad for a short period of time. One of his co-workers was killed in a rail accident.

I was just looking down the road at the risks inherent in that sector. I wonder about the impact of the work environment in terms of safety and the impact that has on recruitment and retention of workers in the sector. Could you speak to that and how we address it?

Mr. Omar Burgan: To get a good perspective on that.... I've never worked in the rail sector, and I'm only starting to hear more and more stories. When I started, I asked if I could go on site and ride the train with one of the Teamster members, and I was told no, because the risk to my personal safety was too high.

It is a workplace, where people have died. Every year we hear horrible stories, so I think it's definitely a sector in which, if your personal safety is constantly at risk, there is an inordinate amount of pressure. I don't doubt that many would end up leaving because of that.

Mr. Taylor Bachrach: Thank you.

You mentioned, Mr. Burgan, that in the parcel sector there are increasing expectations around productivity. The numbers you shared were quite startling. Again, I'm wondering how the committee might get traction on that particular issue when it comes to the conditions of work—through policy or legislation.

Mr. Omar Burgan: That's a good question. I don't know if my colleague, Mariam, has any thoughts on that.

Ms. Mariam Abou-Dib: Yes. I think it's very similar to the trucking industry, when we're talking about working conditions where we want to attract women and youth, and not just youth in terms of younger workers, but newer workers as well.

On the number of hours, I think there's definitely a consistency in what we hear from drivers, courier drivers as well as freight drivers, about the hours of work, the demands and the pressures on their work-life balance.

If we want to make it more attractive, we're going to have to start being much more creative around addressing the issue of work-life balance.

The Chair: Thank you very much, Mr. Bachrach. Thank you, Ms. Abou-Dib.

Next we have Mr. Jeneroux. You have five minutes. The floor is yours.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, Mr. Chair, and thank you to the witnesses for taking the time today to be here.

I want to start first with the trucking association. The March 2020 report by Trucking HR Canada indicated high levels of voluntary turnover among truck drivers, which contributes to labour shortages, obviously, in the profession. I'm curious as to why truck drivers are voluntarily leaving the profession, and if this is indicated by the age of the drivers.

Mr. Stephen Laskowski: People leave a profession for all types of reasons. One is retirement, and I mentioned that in my earlier comments. The other is the major reason people are leaving trucking companies.

I'm very familiar with TruckingHR Canada and who they survey. Many of them are on my board and throughout boards across Canada.

Those drivers aren't leaving the industry; they're leaving a payroll, labour-compliant company and going to the underground economy. That is the major issue facing trucking companies across Canada. They're losing good drivers and good people to the underground economy because they want to abide by the law. They're enforcing the law, and they're being abandoned by the law.

● (1735)

Mr. Matt Jeneroux: Back to you, Mr. Laskowski, is that predominantly younger drivers? You started by saying it was the retirement age, but then indicated that it might be others. I'm just trying to get a ballpark idea of where on the spectrum these drivers are.

Mr. Stephen Laskowski: In terms of going to the underground economy, it's all age groups. Yes, we have the oldest age group, the largest percentage of employees over the age of 55 in the drivers' community, and that's contributing to people exiting the industry faster than in other sectors.

With regard to the specific reference you're making to the TruckingHR Canada report, what you're seeing there is a big percentage of those drivers leaving those labour-compliant companies and going to the underground economy.

Mr. Matt Jeneroux: I want to follow up on some of Mr. Barsalou-Duval's questions on the EV trucks and semi trucks. I thought there were some interesting responses to that. In reviewing some of the research prior to this committee, by 2030 there are a number of organizations that are looking to move to significantly higher num-

bers of EV trucks. I think of ENMAX and Bison as a couple of those that have at least tested these vehicles.

I'm curious as to what the thinking is within the industry.

I'll start with Mr. Laskowski and then maybe get some comments from you, Mr. Burgan, on what the potential is, plus and minus, for the industry. With the obvious shortages, is this an option that you guys are supporting?

Mr. Stephen Laskowski: Technology isn't going to replace truck drivers. It's the driver-assist technology that's going to make truckers safe. The truck technology is by no means remotely close to dealing with the driver shortage. It's simply not. It's going to make us safer. It might attract more people, because the trucks will be safer to drive. The technology attracts the people, but it is by no means anywhere near addressing the issues we're talking about today.

Mr. Omar Burgan: You said EV. I assume you meant AI, as in driverless trucks?

Mr. Matt Jeneroux: Yes, AI.

Mr. Omar Burgan: We have a lot of questions about safety, and we kind of feel the same way. I don't think the technology is quite there yet. An analogy that is sometimes made is that for a long time we thought we could have planes that could fly without a pilot, but I think most people would feel much better knowing that there's a pilot in the cockpit. We just have a lot of questions about whether having driverless trucks is something workers think about a lot. They feel worried that they will be replaced, especially with our winters and the roads we have up here. I agree with the CTA that a lot of technology will just make driving safer and better.

The Chair: Thank you very much, Mr. Jeneroux.

[*Translation*]

I now give the floor to Ms. Koutrakis for five minutes.

[*English*]

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair, and thank you to our witnesses for appearing before our committee this afternoon. Thank you for your excellent testimony and great points, which we should all take back and reflect on.

I'm curious, and this question can go to any one of you. I'll start with Mr. Laskowski, because you touched upon this issue. I'm just wondering if you could elaborate, or if you know whether there are transportation sector labour shortages that are under the radar that may be particularly problematic if they go unaddressed. I'm particularly looking to see if there are any safety issue concerns as a result of that.

• (1740)

Mr. Stephen Laskowski: A lot of us have talked about drivers, and it's the number one concern, as we've said, because the issue here is that if we don't have a driver, the truck doesn't move and the freight doesn't move. We've all said that, and that is the reality.

Perhaps one—I wouldn't necessarily say that it's under the radar in our sector, but it's perhaps not talked about enough—is heavy-duty mechanics. Just like in all sectors, we have labour shortages everywhere, but there is a significant shortage of heavy-duty diesel mechanics. Obviously, keeping those trucks safe and keeping them in operating condition is the number one priority in our sector, so yes, that is another area we are very interested in working with the Government of Canada to resolve.

Mr. Omar Burgan: We also feel that appropriate training, such as by recognizing truck drivers as a skilled trade in which they would have onboarding and training in order to be safer drivers, would be a good thing. As I mentioned, there was even a case in Quebec where people were selling fake licences, and this is in part due to the shortage, because there's a lot of demand for drivers. This puts pressure and creates a situation in which people will find ways to cheat to get someone behind the wheel, but we need people who are properly trained.

In the rail sector, we also need to make sure standards are good so that we don't have high rates of exhaustion, which is a problem in the rail sector.

Ms. Annie Koutrakis: Actually, that's a great segue, because I'm worried about that. You know, there's a labour shortage, but business must go on, so what happens now? Do you hear of complaints from workers who are being forced by their employers to perhaps take on an additional shift? That's what I'm concerned about when I talk about under the radar.

Are we setting ourselves up for a higher risk in the short term? What do you think we can do to address some of those concerns? Can the federal government do something in that regard, or is it even a federal jurisdiction issue?

Mr. Omar Burgan: A lot of it is federal jurisdiction.

I'll ask my colleague, Mariam, if she has any comments on issues in the rail sector regarding safety.

Ms. Mariam Abou-Dib: Yes, for sure.

The Department of Transport has talked about looking at specific fatigue regulations. We did get some new duty and rest rules, which we've been working with, and there are still some issues that we have to resolve with them. However, there does need to be a very focused study on fatigue and regulations that deal with fatigue, because that is a very real issue in the rail sector, and it is exacerbated by the fact that there is a shortage of...and there are vacancies in that sector in and of itself. Accidents are happening. We have yet to really go through a significant period of time without a fatality, and I think it's really important to start thinking about fatigue as a symptom of an archaic industry that really needs quite the overhaul in and of itself.

Ms. Annie Koutrakis: We've talked about the issues and the challenges that we are currently facing with the labour shortages. I'm wondering if any of you are aware of certain industries that

have been especially effective at addressing labour shortages. If so, can you provide us with some examples of how they handled that?

Mr. Bruce Rodgers: I'll jump in from the freight-forwarding sector.

It may not be something we want to hear, but employers are moving the business out of Canada. They're moving it offshore. I had a conversation with one individual today who indicated that their company has moved, that their equipment finally arrived in Serbia this week, and that they're hiring MBA-equivalent individuals at a rate of about \$1,200 per month. These jobs are not going to return to Canada, so as we continue to have these labour-related shortages and as other countries are offering resources at prices that are attractive to employers, more and more of this is going to go on. This is not a new situation that's occurring, but this one organization, as we commented earlier in our opening remarks, moved its workforce. It used to be that 10% of the workforce was going offshore; it is now 25%. I think that percentage is going to increase if we don't solve some of these labour-related issues that we have today.

• (1745)

The Chair: Thank you very much, Mr. Rodgers, and thank you, Ms. Koutrakis.

Next we have Mr. Dowdall.

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

Mr. Terry Dowdall (Simcoe—Grey, CPC): Thank you, Mr. Chair, and I, too, want to thank all the witnesses today for their testimony.

It's certainly an issue that I've heard lots about, even prior to the pandemic itself. I think the issue in this industry, especially the trucking industry, has been one of keeping, finding and retaining drivers.

I have Honda in my riding, so I have a lot of large trucking companies there, and this has been an issue. One trucking company, for instance, I believe, has 150 trucks, and the average age of the drivers is 61, so it's a huge issue.

I grew up wanting to be a professional hockey player or a truck driver, because there were good truck movies back then. I don't know if you remember Burt Reynolds and Clint Eastwood. I don't know if we need some movies out so that youth will get into this again.

Part of the problem might be—and we have this in Ontario as well when it comes to anybody in the trades—that a lot of parents don't really push their kids to get into this field, and now they realize through the trades that a lot of those individuals are making more money than the academics who have gone through certain university programs.

It is changing a bit when it comes to trades here in Ontario, but I think the reality is that no matter how you sum up the problem, working there with the hours, the shifts and doing long haul now, the next generation is not into that. They want to be home every single day.

I think the answer—and I just want to know what you think—is that, in order to get those people, they have to be paid a lot of money, more than the average person would think a truck driver would get, because it's such an important part of everything we do. Every company, like food, as Lianne was saying for the farming industry....

Until that happens, I don't know, so I'm asking you. Other than that, quite frankly, how can you get people to say they want to be a truck driver?

Mr. Omar Burgan: I think you hit the nail on the head. Good working standards will attract more people. If the salaries are higher, and if people feel like it's a good way to support their families and it's worth the sacrifice of perhaps being away from home, they will come more readily if those jobs pay better.

We have heard stories, for example, of some employers recognizing that people wanted more time off. They worked with the employees and their union and created more creative scheduling, for example, having three 12-hour days in a row and then four days off. A lot of workers really like that.

It's both things. I think, if people can earn good money because they are the ones stepping up and making the sacrifice by doing a hard job, they'll come. Also, if they feel their employers are responding to their desire to have more work-life balance, they will likely stay longer.

Mr. Terry Dowdall: I've heard a lot of talk today about unions and union truck drivers.

I just want to recognize that even the smaller owner-operators are pretty important. I had a lot in my riding prior to.... A lot have gotten out of it because of either the insurance, the fuel costs, or the wait times. Like we said already, there's a lot of time they waste if they're an owner-operator.

I have a question about fuel, because, as we know, it's getting a lot more expensive. Is that going up? Is that money going to take away from money that perhaps we could pay that company or that individual to stay in the industry?

We heard earlier that when there's no training.... Could there be an incentive somehow that would help in the long run, as opposed to just paying more? You're not changing your vehicle; you're going to be driving the exact same vehicles, the same trucks.

The Chair: Does anybody want to answer that? Mr. Laskowski, Mr. Burgan, Mr. Rodgers or Ms. Abou-Dib.

• (1750)

Mr. Stephen Laskowski: I'll just add that there are multiple factors that attract and retain people. Money is one of them, as the Teamsters recognize, as are different shift schedules. Many fleets are doing it, but the more flexible you get.... For example, some fleets that do long haul—and what I mean by long haul is Winnipeg, Texas, Toronto, Los Angeles—are saying it's one week on, one week off. Well, that truck needs to move the next week, so that means you need double the drivers—

Mr. Terry Dowdall: All I'm saying is that the increase is not affecting your ability to retain some of the employees or perhaps do some of that training. This is money that's going out that you can't change all of a sudden. It's going to cost us all more money, and it's not going to change the vehicle that the driver is in.

I don't see where the advantage is to charging a lot more money now.

Mr. Stephen Laskowski: I'm not trying to avoid the question, but to be honest I'm not clear where we're going with this question. The reality is that fuel has gone up. There's a separate system for how fuel is captured, and there's costing of the carrier system, including labour.

Mr. Terry Dowdall: Will more people not go to the underground now, though, because it's going to cost more to operate legally?

The Chair: We'll have to save that one for perhaps Mr. Muys's time.

Next we have Mr. Rogers.

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

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

Again, I want to welcome all the guests today. It's been great testimony and very interesting information you've provided to all the members of this committee.

Mr. Rodgers, I'll ask you a question first off, and then I'll give the others a chance to respond.

We have a lot of labour shortages occurring in many sectors. In the transportation sector, in the marine industry on the east coast there's a shortage of ship's officers, for example, that is creating some real challenges for shipping companies. Then also in the trucking industry there are similar kinds of problems.

Let me ask you this, Mr. Rodgers. Are there particular aspects of the transportation sector that are unique when it comes to labour shortages? If there are, can you possibly elaborate?

Mr. Bruce Rodgers: We're experiencing difficulty with the classification of a freight forwarder. I don't believe the general population—and maybe a lot of people around this table as well—truly understand what a freight forwarder is.

What we're trying to do is get that group classified under the national occupation classification code, because currently they are classified as "shippers and receivers". When you're looking to bring people into the country to train them on this, they can come in only on a temporary work permit, and they're allowed to be here only for up to two years.

We're working with the NOC and trying to get them to change that classification so that it's more of a skilled position whereby those individuals could come in and, under the express entry system, obtain permanent residency and then move on into the workforce and into their careers in Canada.

The challenge we are faced with is that the review of the NOC occurs only every 10 years. They do a little cursory review initially, but it's 10 years before they do the major review. From our perspective, that's taking too long, and we're trying to position that.

We're talking about labour, and I won't belabour the point here, but the other challenge is that we have significant equipment-related issues that are going to be challenged. If we bring in 30,000 drivers, I'm not convinced we have the equipment to facilitate those drivers and keep them employed as time goes on.

I would say we are challenged in a number of different areas, and I don't think there's a really simple solution to any of them.

Thank you.

Mr. Churence Rogers: Thank you, Mr. Rodgers.

Mr. Burgan, would you want to comment on that? Is there something in particular that you think of when it comes to labour shortages?

Mr. Omar Burgan: Again, a trend we're seeing a lot is that newer workers want something different out of their work. They want more work-life balance. That's something we hear a lot.

My colleague, John McCann, was telling a story about someone he knew who had started truck-driving, then realized he was going to be away all the time and said, you know what? It's not for me. I'm going to get an office job.

I think finding ways to, again, make it more attractive...because it's a tough job. It can be very hard, especially long hauls. Finding ways to make the work more attractive and for it to evolve with the expectations of workers would be good for the industry.

• (1755)

Mr. Churence Rogers: Thank you.

Mr. Laskowski, today in The Globe and Mail there is a story saying that Loblaw's put self-driving delivery trucks on Canadian roads for the first time.

How do we keep that in mind and properly calibrate the number of new employees we train with the extent of the labour shortage and not, for example, inadvertently produce too many truck drivers just as self-driving trucks are becoming more widely deployed? Can these situations be reliably predicted and planned for?

Mr. Stephen Laskowski: I'll just answer that in short, Mr. Rogers.

I don't think we have to be worried about creating too many truck drivers. Our economy needs them. I don't think we have to worry about that technology you're talking about that's mentioned in The Globe and Mail taking over our industry any time soon, as I answered previously.

Mr. Churence Rogers: Thank you very much.

The Chair: The time is up unfortunately, Mr. Rogers. I know you had an exciting line of questioning planned.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for two and half minutes.

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

Earlier, during the discussion on the underground economy, I thought of Uber, even though it is obviously not exactly the same thing here.

Some smaller trucks only require a modest investment and a regular driver's license.

Do you think that a type of "trucking Uber" might appear?

How do you see that?

Mr. Omar Burgan: As a company, Uber does not necessarily have the best reputation for job quality and staff retention.

Some companies don't use the same model as Uber, but they violate workers' rights, exploit them and want to get the most profit out of them, at the expense of their well-being.

What we are currently seeing is similar. We really need to implement measures that strengthen enforcement of the rules and ensure no company cheats the system.

Mr. Xavier Barsalou-Duval: Mr. Laskowski, do you have any comment to add?

[*English*]

Mr. Stephen Laskowski: In my opening remarks, I mentioned that about two-thirds of Canada-U.S. trade is being moved by truck. Virtually everything in the room you're sitting in was on a truck at least once, and probably multiple times. Most of those trucks are 53-foot trailers of various configurations or designs.

Moving forward into the future, this nation will continue to move by truck and 53-foot tractor-trailers.

[*Translation*]

The Chair: You have 10 seconds left, Mr. Barsalou-Duval.

Mr. Xavier Barsalou-Duval: All right.

I'm done, Mr. Chair.

The Chair: Thank you very much, Mr. Barsalou-Duval.

[English]

Next we have Mr. Bachrach.

The floor is yours. You have two and a half minutes.

Mr. Taylor Bachrach: I'm trying to get a handle on some of these trends that have been described. We've heard a bunch about the conditions of work. We've heard about work-life balance. We've heard about the lack of rest areas, the lack of food services available and the downward pressure on wages and benefits from this underground economy. All of these things seem to be negative aspects of the conditions of work.

At the same time, it was mentioned earlier that driver pay has increased in the past couple of years. I think the number cited was 20% to 30%.

I'm wondering what the net trend is. Are the conditions of work worsening? Are they worse than they were 30 or 40 years ago when you had...? For the drivers who are now retiring and leaving the industry, were the conditions better back in their heyday? Were there truck stops every 10 miles and were they home to see the family every three days, or have the expectations of the workforce changed and the industry is chasing those expectations? Is this simply a tight labour market across the board and throughout the economy?

I'm trying to understand what the specific trend is that we're trying to get some traction on with policy.

• (1800)

Mr. Omar Burgan: I think it's probably a bit of everything.

When you work in the labour movement, you know that you get the answers by asking workers what they think. That's what we did, and they're telling us that these are the things that are keeping new workers from coming in. These are the worst parts of the job that are getting to where it's at a breaking point.

I'm guessing some of these were way better. For example, we talk about rest stops. It's an infrastructure issue. If the economy moved a certain way so that there are way more trucks on the road—which, from what I understand, is the case—and no one ever took to improving the rest stops for trucks, then you just reach a breaking point. You reach a crisis. I think it's probably a combination of a lot of things.

Mr. Taylor Bachrach: I'll ask Mr. Laskowski the same question, as to his take on the overall direction of the trend when it comes to the conditions of work. Look at a truck driver who was working 40 years ago versus one who's entering the workforce today.

Mr. Stephen Laskowski: I'm sorry, was that question directed to the CTA?

Mr. Taylor Bachrach: Yes, please.

Mr. Stephen Laskowski: The biggest trend without question—you've heard it from the Teamsters and the CTA—is the unlevel playing field created by not enforcing Driver Inc. You can introduce all the labour laws you want to improve the sector, but if 20% to 30% of the sector is saying, "I'm not following anything you cur-

rently have on the books" and you're doing nothing about it, then what does it matter if you add new laws? They're just new laws that they won't follow.

What you're hearing today is that to improve our sector, we're asking you jointly, both labour and the CTA member companies, to enforce the law from CRA and ESDC perspectives. Then we will move our industry forward with better working conditions for all.

The Chair: Thank you, Mr. Bachrach.

Next, we have Mr. Muys.

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

Mr. Dan Muys: I'll ask one question and then share my time with my colleague, Ms. Rood.

We talked about working conditions. Both the freight forwarders and the Teamsters referenced rest areas and the need to use the bathroom. That's obviously a small point, although I would imagine it's a significant frustration on top of other issues. It exacerbates the working conditions.

I know that in Ontario during the pandemic there was a mandate from the provincial government that required businesses receiving deliveries by truck to make their bathroom facilities available to drivers for their use. It seemed like a very practical solution to a problem.

You referenced infrastructure in rest areas. It's not just about washroom facilities, but also, I would imagine, about areas to rest if there's fatigue.

Are there other things—without treading on provincial jurisdiction—that the federal arm can do to alleviate that problem? This is for both the teamsters and the freight forwarders, who mentioned that issue as well.

Mr. Bruce Rodgers: I'll speak for the freight forwarders.

The groups we're representing are the drayage companies. These are the people who pick up the containers from the rail yards and ports to deliver them ultimately to the importers or exporters, who ever needs those containers.

The reference we were making was to the long lineups due to the congestion issues today. These drivers are sitting there for four, five, six or seven hours. They're basically sitting on the side of the highway, trying to get into a yard in order to pick up a container or drop one off. That's problematic for the industry. It's not necessarily to go into a rest area, because these drivers are just sitting there waiting. It's a problem with the system and the congestion that's going on. I would say from that aspect there's really nothing from a federal perspective that we're looking for.

I'll turn it over to the CTA to offer further comments.

• (1805)

Mr. Stephen Laskowski: From our perspective, if you're looking for something the federal government could do to assist the drivers, it would be insisting on having more rest areas along federal infrastructure. This is especially for the ELD regulation. That means no more paper logbooks. We're going to move to electronic logbooks. That's something that both the CTA and Teamsters strongly support. It's going to make our roads safer and protect labour.

Mr. Dan Muys: I'm going to cut you off so that my colleague can use the balance of the time.

Ms. Lianne Rood: Thank you, Chair.

I heard from many trucker groups recently that there's a cross-border issue. When the government imposed the federal mandates and people chose to exercise their medical autonomy to not be vaccinated, there was a shortage of truck drivers for cross-border runs. I saw this in the springtime with getting food from California into Canada, and with produce.

I'm just wondering if you can comment on whether or not those federal mandates were part of the reason we have a labour shortage in this sector currently, and whether that damaged Canada's supply chain.

Mr. Laskowski.

Mr. Stephen Laskowski: Those mandates were bilateral. They were introduced by both Canada and the United States. They had the impact of reducing by approximately 10%—some areas of the country were higher, but on average it was about 10%—the driving force in the U.S.-Canada market. That's not insignificant. As of last week, Canada rescinded that. Unfortunately, the United States has not. We still have an impact in Canada of approximately 10% of drivers out of that driving pool.

Ms. Lianne Rood: Thank you very much for that.

Mr. Rodgers, was there an impact in your sector, as well, with these mandates?

Mr. Bruce Rodgers: There was, initially, but it quickly recovered. We are not experiencing those types of problems at the present time.

Ms. Lianne Rood: Thank you very much.

I'll close by saying thank you, Mr. Laskowski, for that information.

What I heard from the industry was that the competitiveness over not having drivers actually drove the price up for freight. People were looking to get trucks when they couldn't get somebody to come across the border, or they secured a trucking company to bring their load across. If somebody else bid higher, they were dropping the other loads and taking the higher bid, because they could. They could get the money, because they're in the business of making money, as well.

I'll close with that.

Thank you, Mr. Chair. I know my time is up.

The Chair: Thank you very much, Ms. Rood.

Lastly, we have Mr. Badawey.

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

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

I'm going to concentrate on a dialogue we can have outside the box—not looking at what was, but at what can be. What I mean by that is, we completed two interim reports on the establishment of a Canadian transportation and logistics strategy. I'm sure you folks have been part of that process. Some of you have, at least, or you know the reports I'm referring to.

The second comment is this: If we're going to strengthen our trade corridors and, in fact, integrate our distribution logistics, the human resource element is a big part of that. The infrastructure, policy legislation and partnerships are big parts of that. It's not just here, domestically, but binationally, if not trinationally.

The fact of the matter is that, at the end of the day, to strengthen our overall global trade performance, we have to have all the boxes checked off. With that said, the dialogue we're having today is important. Let's discuss this outside the box.

When we look at the need for operators in trade corridors, it's not just operators on the road. It's also operators on rail, in the air and on the water. As much as the industry on the road is talking about the need for operators, the marine industry is saying the same thing. Whether it's a cook, engineer, captain or mate, it's the same situation—a dire situation. Rail is the same, and air is somewhat the same, especially within the supply chain and among those working with luggage or on the gates in airports and things of that nature.

My question, Mr. Rodgers, is going to be to you, as a freight forwarder.

Do you feel there may be an opportunity to bundle a branding exercise that looks at operators as this relates to trade corridors, including road, marine and airport operators—rail, water, road and air? It's to bundle the resources, which means working with the provinces to bundle training and harmonize provincial program training across the country. As we know, those training exercises, for lack of a better word, can differ from province to province, so it's to harmonize the training program nationally.

I'd like to hear your thoughts on that.

• (1810)

Mr. Bruce Rodgers: I believe that would be beneficial and would simplify the process for our community and the community we represent. Again, in the freight forwarding sector, a lot of these organizations are national and multinational-type organizations. They have staff in multiple provinces across Canada, and when we have inconsistencies in training, it creates significant problems overall.

To bundle it up to deal with the supply chain issues and labour shortages would be a significant first step in solving this issue.

Mr. Vance Badawey: I'll take it a step further and look at the integration of distribution logistics internationally.

When an investor or company comes in from out of the country, most of which are going to be aligned with the trade agreements we've established and ratified within the last four years, whether it be CUSMA, CETA, the CPTPP or others, it's a new way of doing business in the new global market we find ourselves in within the last few decades. Do you find that, to do this, it's going to be a new age as we integrate our distribution logistics systems of transportation, and therefore a new age of operators?

Going back to my earlier question, it's about the bundling not only of training, but also of branding and the overall need to get the word out about trade corridor operators, regardless of what sector they might find themselves in—rail, road, water or air.

Mr. Bruce Rodgers: I think that's essential, but I'm going to take this in a somewhat different direction. It's along the lines that you're referencing as well. From our perspective, we have a national trade corridors fund, but we don't have a national trade corridors strategy. I think we have it backwards. We put the money out there, and then we go out to the interested parties and say, "Okay, who wants it? Everybody put in a bid."

You do it that way. Nobody is looking at the infrastructure. The labour component, as well, goes hand in hand with the infrastructure issues that we have and that we're challenged with today. We talked earlier on in our presentation about the challenges with the congestion at the rail yards. Who wants to be a driver when you're sitting in line for five hours? How many weeks on end are you going to do this before you decide you don't want to do this anymore?

We have the same issues at our ports. They are landlocked. We have infrastructure projects that have been sitting in additional studies going on for 15 or 20 years now. We need quicker decisions. We need a national trade corridor strategy, and the labour component should be part of that as well.

Mr. Vance Badawey: If I can refer to the analysts, we want to underline and bold that comment with respect to a trade corridor and transportation strategy.

Thank you, Mr. Rodgers, for that comment. This is my last question.

I'm sure you read the Emerson CTA report and the recommendations that came out of that.

Do you feel strongly that as part of establishing a Canadian transportation and logistics strategy...? What Mr. Emerson talks about in his report is that it's not just the obvious investments

and/or attention that we have to give to infrastructure, whether it be the St. Lawrence Seaway, the Welland Canal or roads in terms of the hard end of infrastructure, but that the human resources we're speaking about today are a great part of that as well?

• (1815)

Mr. Bruce Rodgers: I'm going to quite simply say that we agree. The labour component has to go hand in hand with the infrastructure strategy we're talking about. We have to get the proper infrastructure in place, and it has to support the supply chain challenges we're faced with today. If it's not tied to the labour component, we are not solving any of the issues overall, so the labour component has to be a significant part of that as well.

The Chair: Thank you very much, Mr. Badawey.

If it's agreeable to members, I would like to ask one brief question to the witnesses.

Some hon. members: Agreed.

The Chair: Thank you.

There was a study that came out recently where they asked the next generation—younger workers entering the work force—what they were looking for in employment. The number one thing they were looking for was a sense of fulfillment, something whereby they felt they were contributing to something positive. The second was work-life balance, so quality of life. The third was a positive impact on the environment. They wanted to make sure that what they were doing didn't have a negative impact.

The trucking industry, for many younger workers, is seen as an industry that is not environmentally friendly. I'm wondering about greater efforts being put in—perhaps support from the federal or different levels of government—to help the industry transition to technologies such as electric vehicles: trucks, for example. Not only would that help with the bottom line for the trucking industry, obviously, with regard to savings in fuel, but I'm wondering what your thoughts are on that transition helping attract younger workers to the sector and putting it in a more positive light.

I'm looking for reflections from any of you.

Mr. Stephen Laskowski: Very similar to some of the questions around the technology and driver-assist or driverless vehicles, it's the same thing with electric vehicles.

The number one cost next to labour is fuel. If our members could move to electric vehicles, they would. The reality is that the technology is not there for our long-haul economy, nor is it there for the standards in the weights and volumes that are moved in these vehicles.

The Canadian Trucking Alliance is extremely supportive and is working with the Government of Canada towards this. However, in short, the technology is just not there to move the economy that is in our customer base, both in Canada and the United States, on electric vehicles at this point.

The Chair: Thank you, Mr. Laskowski.

Does anybody else want to chime in?

Mr. Omar Burgan: Just quickly, labour believes in a just transition. We don't think workers should find themselves without work as a result of transitioning, but we do have a climate crisis. When workers are taken into consideration by government programs for greening the economy, everyone wins.

The Chair: Seeing no other responses, I want to thank you all on behalf of this committee for your testimony today in contributing to this very important study for all Canadians.

With that, the meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>