

February 22, 2021.

The Honourable Filomena Tassi  
Minister of Labour  
140 Promenade du Portage  
Gatineau, Quebec, K1A 0J9

**Subject: Port of Montreal – Longshore Workers Strike**

Dear Minister,

We are writing to raise our concern with the possibility of a renewed labour disruption at the Port of Montreal and the detrimental economic effect it will have on the port and indeed the country.

As you may recall, in August of 2020 labour action in the Port of Montreal effectively closed the port for 3 weeks. The parties – CUPE Local 375 & the Maritime Employers Association – agreed to a “truce” to provide time to negotiate a contract to replace the previous agreement, which had expired in 2018. That truce is scheduled to end on March 21. This means that a strike or lockout could start as early as March 24.

At present there is little sign of progress, or even of negotiations between the parties, despite the efforts of the Labour Canada mediators. The hope is that the parties will be able to come to an agreement before March 21. However, if this does not happen, the result should not, and cannot, be a total cessation of service at the Port of Montreal. The shut down of an essential element of the Canadian supply chain is not an acceptable consequence of a failed labour negotiation.

We recognize the right of workers to collective bargaining but that right does not extend to holding Canadian shippers’ hostage and hurting the Canadian economy as a whole.

FMA does not have a position on the issues in dispute at the Port. Our concern is specifically with the widespread damage that will result from an interruption in service in the event the parties cannot resolve their differences. We are looking to the federal government for leadership in these types of labour disputes which interrupt the supply chain which is essential to a healthy Canadian economy.

When the Port of Montreal is out of service, it is obviously bad for the Port of Montreal but also for the city, the provinces of Quebec and Ontario and also supply chains in the U.S. mid-west, including Chicago, that have historically routed traffic through the Port of Montreal. If the Port of Montreal is shut down, many ocean-going vessels will instead discharge their cargoes at other port locations in Canada and US (Saint John, Halifax, New York/New Jersey). The implications for reliable delivery are enormous, as the rail capacity is significantly less and trucking distances much greater.

Congestion from empty containers which developed during the shutdown in August is still a major problem today.

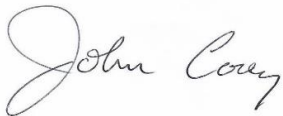
Should this dispute cause a second shutdown of the port, it would result in irreparable harm to the Canadian economy:

- Capacity to move imports from diverted ports over the rail is cut in half as the other ports may not be served by both CN and CP.
- There will be threats to Canadian exports due to limited capacity at other port locations.
- Currently it appears there is an ocean container line focus on sending empty containers back to Asia to be filled with imports back into North America, also having a negative impact on Canadian exporters who ship their products by container.
- There could be significant cost increases and delays to recover import containers
- Last, but certainly not least, health safety and security to Canadians would be affected due to the identification and prioritization of PPE and related vaccine supplies.

We call this situation to your attention so that you and your Cabinet colleagues can take the measures necessary to ensure this dispute does not produce a damaging stoppage at the very moment the distribution of vaccines should allow the Canadian economy to regain momentum and growth.

We thank you today for reviewing this request and we would be pleased to discuss further with you and your officials.

Sincerely,



John Corey, CPA, CA      President, FMA



R.H. Ballantyne, P.Eng.      Special Advisor, FMA

*The Freight Management Association of Canada (FMA), The National Voice of the Shipper, is the national industry association that promotes legislation through advocacy focusing specifically on freight transportation issues by all modes. FMA represents the interests of the Canadian shipper community to help achieve positive change that will directly affect a company's bottom line. The primary role is advocacy on behalf of the buyers of freight transportation with all levels of government, carrier groups and with foreign governments and international agencies.*

Cc:      Rt. Hon. Justin Trudeau, Prime Minister  
             Hon. Omar Alghabra, Minister of Transport  
             Hon. Marc Garneau, Minister of Foreign Affairs  
             Hon. Seamus O'Regan, Minister of Natural Resources  
             Hon. Francois- Philippe Champagne, Minister of Innovation, Science and Industry  
  
             FMA Members