

Euro Asia Inc.
Maintaining a Fair and Balanced Labour Relations Code in BC

ISSUE:

Euro Asia Transload Inc. (Euro Asia), a multi-modal import/export container transload company, respectfully requests an opportunity to meet with senior representatives of the BC Government to discuss the benefits of the current labour relations bargaining framework for our company and industry, and the importance of maintaining this framework for the viability of our company and all of the jobs we support.

BACKGROUND:

Euro Asia Transload Inc., established in 1995, is one of the largest privately held and family operated multi-modal import/export container transload companies in North America. Euro Asia's main operations are based in Richmond, British Columbia with facilities in New Westminster and Tsawwassen, British Columbia. Euro Asia provides a broad range of transload services specializing in: Pulp, Lumber, Pipe, OSB, Plywood, Metals, and General cargo.

The Richmond operations facility includes: 650,000 square feet of recently (2014) constructed warehouses on 55 acres of Port land; rail receiving capacity of 85 cars on CN track, and; over 70,000 containers loaded annually. The New Westminster operations facility includes a nine-acre empty container storage yard for 12 major shipping lines with repair and reefer facilities. Euro Asia's sister company KTL Transport operates 215 trucks within the Port of Vancouver with a fleet of 1,000 container chassis, conducting 11% of the total tags at the Port of Vancouver and moving over 100,000 containers annually.

Euro Asia is currently constructing a new 300,000 square foot transload operating facility on a 25 acres site located on Tsawwassen First Nation land, four kilometers from Deltaport. Construction is expected to be completed by the second quarter of 2019.

Euro Asia Employment

Euro Asia employs 350 people. A majority of the company's workforce belongs to the West Coast Truckers Union. Euro Asia believes that a healthy, constructive working relationship exists between the management team and the employees, and, between Euro Asia and the West Coast Trucker's Union.

The company has in place a collective agreement with our union members of the West Coast Truckers Union. We believe the negotiated agreement provides for a safe working environment for all employees, opportunities for workplace training and development, a responsible remuneration and benefits package (over and above the regulated remuneration set out in the *Container Trucking Act*) for employees and the protection and promotion of employee interests.

BC Labour Relations Code Review

Euro Asia understands that the BC Ministry of Labour created a Labour Relations Code Review Panel (the Panel) in February 2018 with a mandate to ensure that the "workplace supports a growing, sustainable economy with fair laws for workers and businesses". EuroAsia further understands that the Panel may recommend changes to the province's current Labour Relations Code, and, that among possible changes the Panel may have considered the issue of collective sectoral bargaining rights.

Although we understand the objectives of the Panel's mandate, the position of Euro Asia is that changing the current labour relations bargaining framework would be, for several reasons, detrimental to the industry and the truckers themselves, including:

1. ***Corporate/Labour Relations Stability*** - Euro Asia and the union representing our employees have benefited from a long period of stable labour relations, which has provided the company and its workers with a measure of business certainty in an ever-changing business and industry sector economy. We believe that if the system is working, which we believe it is, then we do not believe it should be changed.

2. **Sectoral Bargaining Conflicts with the Fairness Principle** - Mandating sectoral bargaining and forcing sectoral bargaining on all companies within a particular economic sector, does not allow for the differing business models and economics of individual businesses. Further, mandating sectoral bargaining would conflict with the fairness principle by removing any control a business might have over the terms and conditions of employment, and, by removing any control existing unions have over the terms and conditions employees might have as a condition of their employment in a particular company.
3. **Risk to Existing Labour Relations Stability** - It is the company's understanding that many individual unions operating in British Columbia also object to legislating collective sectoral bargaining. Therefore, changing the labour relations code risks creating unrest within the labour relations environment which we believe would have negative consequences for British Columbia, the transportation industry sector, our company, and our workers.
4. **British Columbia Investment Climate** - The BC Labour Relations Code and the decisions that flow from the code have wide-ranging implications for the BC economy and the investment climate. Introducing substantial changes to the code, such as legislating collective sectoral bargaining, runs the risk of destabilizing labour relations in the province and discouraging new investment and business growth in British Columbia.
5. **BC Economy and Investment Climate** - Euro Asia believes that the introduction of collective bargaining would have wide-ranging negative implications for the BC economy and investment climate. British Columbia's economy must operate in a highly competitive national and international marketplace. The current Labour Relations Code has generally provided for a stable labour relations environment, particularly in the private sector, and in this way has supported investment and growth of the BC economy. In other words, the system is working. There is no need to change it.

Euro Asia Corporate Viability

Euro Asia operates in an ever changing and highly competitive industry and economic environment. The multi-modal transportation industry is under increasing competition from other forms of transportation, most notably from rail transportation. One of the possible consequences for our company of mandating sectoral bargaining could be the imposition of working conditions that will be detrimental to the trucking industry compared with the rail industry as an example and which, if imposed, would quite simply make our business uneconomic.

For example, at the current rate, it costs \$350 to transport a container to Delta Port by truck and \$400 to transport a container from Delta Port to Shanghai. Currently truckers are paid on a piece work basis which encourages incentive and efficiencies on the part of truckers, and provides a fixed cost – or cost certainty - for container shipping clients.

Under the proposed collective sectoral bargaining, the proposal is to pay truckers by the hour at a rate of \$85/hour. This proposal would remove the incentive for efficiency and remove the ability to establish a fixed cost to move a container to Delta Port and from Delta Port to Shanghai, which in turn would eliminate the possibility of providing clients with a fixed cost to ship their containers, eliminating business certainty and any competitive advantage truckers may currently have over their transportation competitors (it is important to note that CP Rail has the ability to move containers directly onto ships which is less expensive than trucking). The result of this scenario would be to make the multi-modal trucking industry uncompetitive and uneconomic, and risk the viability of our company, and jobs of all of the people we employ.

Furthermore, we have to be conscious of the fact that if we make the multi-modal industry in BC too costly, the ships and the containers will transit through the USA. Is this the goal? The viability of not only the trucking industry is at stake but the entire container industry. The economic efficiency of the whole BC supply chain would be in danger.

RECOMMENDATION:

Euro Asia Transload Inc. (Euro Asia), respectfully recommends that the BC Government maintain the current labour relations bargaining framework.