



January 21, 2022

Hon. Omar Alghabra
Minister of Transport
via email

Re: National Supply Chain Summit

Dear Minister Alghabra,

We are closely monitoring the supply chain crisis that Canada finds itself in, with particular attention on the exacerbating effects your government's policies have had on the crisis.

Regarding your recently announced National Supply Chain Summit, it is critically important to highlight the impacts that your policies have had in worsening this crisis and creating the shortages we are seeing today.

Canadian supply chains have been devastated with logistical and shipping concerns as businesses, manufacturers and distributors deal with the COVID-19 pandemic, global pressures, the flooding in British Columbia, which has caused approximately \$600 million in lost sales, and a labour shortage.

Minister, at a time when grocery stores are seeing shortages of basics like meats, fruits, and vegetables, your government's policy will undoubtedly cause unnecessary harm and food insecurity, and have the potential to make empty shelves the norm in grocery stores across Canada.

Throughout the COVID-19 pandemic, truckers have rightfully been heralded as the unsung heroes keeping our supply chains moving. They've ensured our grocery stores were stocked with the food we rely on, our gas stations supplied with fuel, and our hospitals stocked with the critical medical supplies needed to battle the pandemic.

At the beginning of the pandemic, the Liberal government rightfully deemed the trucking industry an essential service. Still amidst the same pandemic, your government has now targeted the industry and is forcing thousands of truckers off the road.

As you are aware, the COVID-19 pandemic has ravaged global supply chains, resulting in shipping delays and significant cost increases for businesses and Canadians alike. Freight costs for groceries have increased by more than 35%. Shipping costs have soared to astronomical levels, increasing by as much as 700%.

We are hearing from builders across Canada who are not able to get basic supplies such as PVC pipe and refrigerators, delaying residential home construction. This will only further add to the housing shortage crisis in Canada.

Similarly, farmers and producers have had shipments delayed or cancelled, including shipments of feed for livestock. These delays will threaten animal welfare and have the potential to lead to further shortages on shelves at grocery stores across our country.

We also know that small businesses in every sector are the hardest hit by these supply chain issues. The Canadian Federation of Independent Business reported small businesses have taken on an average of \$170,000 in new debt during the pandemic. They also do not have the resources to absorb exceptionally high shipping costs, nor do they have the needed products and supplies to generate much needed sales.

As Canadians deal with the rising costs as a result of rising input costs, we continue to urge you to work with the private sector and the Biden Administration to increase the resiliency of the Canadian supply chain. There is an opportunity for Canada to partner with the United States to establish resiliency in the North American supply chain that advances the economic and national security objectives of both countries. This is particularly the case with critical medicines, rare earth minerals, battery production, and semiconductor shortages. We stand ready to make this a bipartisan effort.

The flooding in British Columbia and infrastructure damage to rail lines and roads temporarily cut the province off from the country for a period. While the rebuilding efforts are well underway, the effects of the damage continue to limit our shipping capabilities in the Port of Vancouver and have created a significant backlog of shipping containers and has resulted in the loss of approximately \$600 million in sales, including \$105 million in agricultural supplies, and \$85 million in lumber and mill-working. It is critical that your government works tirelessly, in collaboration with the BC government, to get the Port of Vancouver back to full capacity. The delayed sales, shipments, reduced access to raw materials, and increased costs for shipping have all had devastating effects on Canadian businesses and consumers alike.

As you know, the trucking industry moves, by value, close to 70% of the \$648 billion in Canada-US trade, with about 120,000 of the 160,000 truck drivers this trade relies on being Canadian. Earlier this month a study was released, which your government funded in part, showing that the industry was facing a shortage of 23,000 drivers. In the wake of your government's decision to take truckers off the road, the Canadian Transportation Association estimated that upwards of 20% of Canadian drivers, and upwards of 40% of US drivers would not be prepared to meet the vaccine mandate requirement.

Minister –your Liberal government's out of control spending and ill-conceived policies are resulting in higher inflation and a rising cost of living, making life unaffordable for Canadians. Canadians can no longer afford a home, groceries, or to gas up their car and the labour shortages the shipping industry is facing will make matters worse. The impacts of this labour shortage are a direct result of poor Liberal decisions, which will lead to empty shelves and higher costs to Canadians. This is simply unacceptable.

We are eager to see progress on these issues and urge you to act immediately to ease the pressures our supply chains are facing. Canadians cannot afford more policies that exacerbate these shortages and put further strain on our supply chains.

Yours very truly,



Melissa Lantsman, MP
Shadow Minister of Transport



John Barlow, MP
Shadow Minister of Agriculture,
Agri-Food and Food Security



Tony Baldinelli, MP
Shadow Minister of Manufacturing
and Export Promotion



Hon. Ed Fast, MP
Shadow Minister of Innovation,
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Tracy Gray, MP
Shadow Minister of Small Business
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Randy Hoback, MP
Shadow Minister for International Trade
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cc. Hon. Marie-Claude Bibeau, Minister of Agriculture and Agri-Food
Hon. Francois-Philippe Champagne, Minister of Science, Innovation and Industry
Hon. Mary Ng, Minister of International Trade, Export, Small Business and Economic Development