



CIFFA Commentary on the 2023 Federal Budget

Lobbying a government can be suspenseful; we often don't know if we are being heard or not. Recent federal budgets focused on social issues and had virtually nothing to say about Canada's economic competitiveness. We have been aggressive in 2022-2023 in demanding more attention to the critical transportation needed to allow business to fight effectively in world markets. In this budget we see *at least* promises to address some of our concerns.

Budget 2023 does respond to a number of urgent demands made by CIFFA through the past year; it's obvious our voice was heard.

A couple of gratifying examples: Our testimony in Parliamentary committees focused on the lack of a national strategy to guide the considerable amount of money pledged for transport and trade infrastructure and we are delighted to see a commitment in this budget to "Establishing a National Supply Chain Strategy with strategic trade corridor investments."

We also protested vigorously the continued exemption from competition laws which is enjoyed by ocean shipping cartels. In meetings and submissions to Transport Canada and the Competition Bureau, as well as myriad Members of Parliament, we identified this situation as contributing to the abuse of Canadian shippers we've witnessed in recent years and again we see a response in Ottawa: the budget announced a promise to launch a "review" of the Shipping Conferences Exemption Act to improve marine shipping competition." We will be monitoring this pledge closely.

Perhaps impressed with the US President's State of the Union speech last month, the federal government threw a bone to consumers which included one of our favourite issues: "Budget 2023 announces the government's intention to work with regulatory agencies, provinces, and territories to reduce junk fees for Canadians. This could include higher telecom roaming charges, event and concert fees, excessive baggage fees, and *unjustified shipping and freight fees.*"

We noted also that the recommendations of the National Supply Chain Task Force are referenced in the budget, although only generally. (We have urged the opposition politicians to hold the gov't's feet to the fire and actually implement some measures.)

The one specific recommendation that is referenced is the plan to create a Transportation Supply Chain Office to coordinate federal efforts, especially in a crisis. We remain unconvinced this will have a significant impact, but we'll engage with it as soon as we can and offer CIFFA's support to their efforts.

The budget certainly says more about supply chain issues and infrastructure than we have ever seen before from this government.

"Canadians expect and deserve a transportation and supply chain system that reliably delivers goods and people to our cities and towns, provides businesses with access to global markets, and safely and efficiently connects our communities. Our economy depends on it, too."

"Canada's trade corridors keep our economy moving. From ports, to airports, to railways and highways, they are the backbone of the supply chains that bring goods to our communities and enable our businesses to export their products around the world."

Citing the flooding in BC and pandemic disruptions, the budget lists a number of major projects that have been announced - more than \$2.7 billion under the National Trade Corridors Fund helping to fund 120 transportation supply chain projects “including bridges, roads, airports, railways, and ports.”

One interesting item is a \$5 million per year undertaking to improve transportation supply chain data. Again, this is an item CIFFA has pushed aggressively in the last three years and we are pleased to see it mentioned. We anticipate consultations concerning industry’s willingness to provide timely data and we’ll be watching issues such as commercial confidentiality, common data parameters and all the other complexities of data-sharing.

Every budget re-announces earlier promises and this one does too, mentioning many infrastructure projects which are already underway and also the \$137 million in funds previously committed to the Canada Border Services Agency to improve “services.”

Finally, without specifically blaming provinces for dragging their feet, the federal government is nonetheless poking them pretty hard. The budget reiterated last year’s announcement that the deadline for project proposals from provinces would be moved up to March 31, 2023. “To help build more infrastructure sooner,” as it says. Funds still uncommitted by that date will be re-allocated.

For CIFFA this was a much more promising budget than we saw in previous years. This administration remains very focused on its priorities: environment and indigenous populations, but we are heartened by the extensive commentary about economic issues. Over the coming year we will pay close attention to the implementation issue – promises are easy, but getting the work done is often very hard. We’ll maintain our dialogue with government politicians and departmental officials, as well as opposition politicians and media, to encourage follow through on some promising pledges.