

BUSINESS LEADERSHIP SERIES

BIV taps top leaders' insights on key issues facing the economy | 6-7



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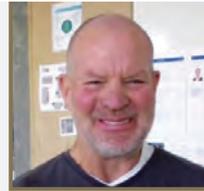
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Perspectives on B.C.'s economic recovery in the pandemic era

BUSINESS VANCOUVER



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Corey Gillon, CEO of the Olympic Village's Choom cannabis store, where business has been brisk during the COVID-19 lockdown | CHUNG CHOW

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TOP STORIES AT BIV.COM

Business in Vancouver's most-seen online stories for the week ended June 4:

- Chamber members outline 'unintended consequences' of CERB
biv.com/article/2020/06/chamber-members-outline-unintended-consequences-cerb
- World's first human tests of COVID-19 antibody treatment have Vancouver connection
biv.com/article/2020/06/worlds-first-human-tests-covid-19-antibody-treatment-has-vancouver-connection
- Realtors not buying CMHC's 'nightmare' scenario
biv.com/article/2020/05/realtors-not-buying-cmhcs-nightmare-scenario
- Updated: Telus dumps Huawei's 5G tech hours after Bell
biv.com/article/2020/06/updated-telus-dumps-huaweis-5g-tech-hours-after-bell
- Two new COVID-19 outbreaks in B.C. offices
biv.com/article/2020/06/two-new-covid-19-outbreaks-bc-offices
- Members still paying fees at Steve Nash Fitness despite insolvency
biv.com/article/2020/04/members-still-paying-fees-steve-nash-fitness-despite-insolvency
- BIV Business Leadership Series: Jimmy Pattison in conversation
biv.com/video/biv-business-leadership-series-jimmy-pattison-conversation

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- BC CTO Awards: Nominate now for *BIV's* salute to the province's top chief technology officers. For more information, go to biv.com/bc-cto-awards

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BUSINESS IN VANCOUVER

Business Leadership Series

We are proud to introduce the *BIV* Business Leadership Series, in-depth video interviews with 10 of British Columbia's most prominent business leaders.

They'll explore the impact of the pandemic and provide their perspectives on how the economy can recover.

Join *BIV* journalists Hayley Woodin, Tyler Orton and Kirk LaPointe for the discussions.

The daily series runs June 1-5 and June 8-12 at biv.com.



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BUSINESS VANCOUVER

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Canada's 5G future now in hands of European vendors

COMMUNICATIONS | Major telecoms opt for Ericsson, Nokia over Huawei for next generation network

BY TYLER ORTON
TORTON@BIV.COM

It took only a single morning for Huawei Technology Co. Ltd.'s 5G ambitions for Canada to implode following years of courting the country's biggest carriers.

Bell Canada [BCE Inc. (TSX:BCE)] revealed in the pre-dawn hours of June 2 it was opting to build its next-generation wireless network using equipment from Swedish manufacturer **Telefonaktiebolaget LM Ericsson** (Nasdaq:ERIC).

By 10:30 a.m., Vancouver-based **Telus Corp.** (TSX:T) announced it had selected Ericsson as well as **Nokia Corp.** (HEL:NOKIA) to build out its 5G network.

Huawei found itself left in the dust after both Canadian telecom companies spent years investing in its 5G equipment while Ottawa conducted a security review of the Chinese tech giant.

Telus and Bell are now on the same side of the fence as **Rogers Communications Inc.** (TSX:RCI.B), which had already been aligned with Ericsson's 5G technology.

"Just the sheer fact a choice has been made and that the Canadian 5G industry is moving out of indecision is great news," said **Patrick Ostiguy**, founder and



Cell tower in Metro Vancouver | ROB KRUYT

executive chairman of Quebec-based network performance provider **Accedian Networks Inc.**

"Canada is already relatively behind other worldwide jurisdictions in regards to rolling out 5G radios. Having made those decisions now starts the clock to play catch-up with the rest of the world."

Uncertainty over the future of 5G in Canada has centred on a precarious political situation in which Ottawa is being pressed by intelligence allies to ban Huawei's 5G equipment over espionage concerns.

The wisest move for those that still have agency would be to pay the price premium to avoid the political one

JASON TURNER
SENIOR DIRECTOR OF GLOBAL CARRIERS, NETMOTION SOFTWARE

But Canada also faces pressure from Beijing following the arrest of Huawei chief financial officer **Meng Wanzhou** at Vancouver International Airport in December 2018 in connection with a U.S. extradition request.

Two Canadians living in China, **Michael Kovrig** and **Michael Spavor**, were detained soon after by Chinese authorities but no formal charges have been filed after more than 500 days.

As for 5G's future deployment in Canada, Ostiguy said Telus' decision to go with dual vendors – Ericsson and Nokia – will pay dividends.

"The fact that Nokia is in at Telus and has a chance to prove itself should keep Ericsson honest overall," he said. "But in the grand scheme of things in Canada with the low density, and the wide extent of the required underlying

infrastructure, the relative cost of the 5G radios is not the most significant contributor to the expensive prices Canadians are paying for mobile services compared to the rest of the world."

Matthew Hatfield, campaigns director at Vancouver-based advocacy group **OpenMedia**, said he does not believe the decision to go with Ericsson and Nokia – both of which have a 5G equipment portfolio more expensive than Huawei's – will make a significant difference in terms of prices and competition.

Telus cautioned investors in a February 2019 that if Huawei 5G equipment and software were to be banned in Canada over security concerns, it would likely seek government compensation for the money and resources poured into this deployment before the Chinese company was made off limits. But because Ottawa has not banned Huawei, it's unclear if Telus will seek that compensation.

Business in Vancouver reached out to Telus multiple times, but a company spokesman did not respond to the newspaper's questions prior to press time.

As for universities and other organizations, Ostiguy does not believe their investments in Huawei 5G equipment will have been in

vain.

"The Huawei political situation for the past couple of years has allowed the European options to catch up with Huawei in terms of 5G radio technology, while Huawei is already working on 6G. At this time, 5G radio technology is more or less levelled, fully standardized and compatible inter-vendor. From that standpoint, if Ottawa does not move to ban Huawei, then universities, etc., should not lose their investments. And to the contrary, will be a great test bed for research on inter-vendor interoperability and performance assurance."

Jason Turner, senior director of global carriers at Seattle-based **NetMotion Software Inc.**, said there's only a low chance Huawei is officially banned from Canada.

"But as [Prime Minister **Justin**] **Trudeau** navigates the narrow pathway between appeasing both the U.S. and China, the trend is almost certain to shift away from Huawei," he said.

"With the U.K. still stumbling through the same maze, the wisest move for those that still have agency would be to pay the price premium to avoid the political one. For others, it may be too late, which may not be a problem in the short term, but it inevitably will be in the long term." ■

Canada braces for backlash after telecoms snub Huawei

ASIA-PACIFIC | Rejection of Huawei 5G will incur Chinese wrath, but targets are unclear, experts say

BY CHUCK CHIANG
CCHIANG@BIV.COM

The decision by **BCE Inc.** (TSX:BCE) and **Telus Corp.** (TSX:T) to use **Nokia** and **Ericsson** equipment to build out Canada's 5G network – effectively shutting out Chinese telecom giant **Huawei Technologies Co. Ltd.** – is likely to incur Beijing's wrath in the form of fresh trade sanctions.

That's the analysis of one industry observer who noted similar cases of the Chinese government squeezing pressure points of countries that have rejected Huawei as a 5G partner or expressed concerns about the tech giant's relationship with Beijing.

"For example, with Germany, [Beijing] has threatened their auto industry in China," said **Margaret McCuaig-Johnston**, senior fellow at **University of Ottawa's** Institute of Science, Society and Policy and an official with multiple decades' experience in dealing with Canada-China relations on technology matters.

"As well, Germany would like to see a free-trade agreement with China, and that would probably be out the window, so they

haven't made a decision on 5G.... In Canada's case, we don't know what threats were made behind closed doors, and that really concerns me."

B.C. exports to the combined market of mainland China and Hong Kong reached just short of \$7 billion in 2018 before retreating to \$6.6 billion last year.

Currently, the market holds a 15.3% share of B.C. exports – second to only the United States (50.6%). And despite recent focus on B.C.'s increasing seafood and agricultural exports to a growing Chinese consumer base, each category accounted for only \$4.5 million and \$2.4 million, respectively, in 2019.

The biggest potential targets that would do the most damage to B.C. would be pulp (\$2.1 billion, 32% of provincial exports to China), copper (\$1 billion, 16%), lumber (\$758 million, 12%), coal (\$756 million, 12%) and machinery (primarily vehicles and parts, \$461 million, 7%).

Another area that China could target would be exports of personal protective equipment (PPE) to Canada, where the Chinese market remains the world's largest manufacturer. Trade

\$6.6b	Value of B.C. exports to mainland China and Hong Kong in 2019
15.3%	Percentage share of B.C. exports that go to mainland China and Hong Kong
50.6%	Percentage share of B.C. exports that go to the United States

consultants in Canada have also noted that, despite a rapid ramping-up of domestic PPE manufacturing capabilities, certain raw materials needed in things like N95 respirator masks are unavailable except from markets like China because the capacity to make such materials moved offshore decades ago.

Even before the announcements by Telus and BCE Inc. (formerly Bell Canada) on their 5G decisions, B.C. and Canadian companies with ties to the Chinese market have reported extraordinary

hardship since Huawei CFO **Meng Wanzhou's** arrest in Vancouver in late 2018 on a United States extradition request.

Amy Huang, president of Richmond-based **North American Investment Association**, has led several small-business trade missions to Hong Kong and mainland China, and last summer signed a deal with the southern Chinese city of Dongguan to establish a "marketing centre" for showcasing B.C. goods like food products, ice wine and health supplements.

Huang said the centre, which opened late last year, has not been able to close any deals since opening, and only a portion of the products meant to be showcased in Dongguan got to the city.

"The current Canada-China relationship has fallen to a nadir, and it's seriously hurting business," Huang said.

A **Canada China Business Council** (CCBC) survey in May found 79% of responding businesses said their operations have been affected by Ottawa-Beijing tensions in the last year, but when the survey was released, CCBC executive director **Sarah Kutulakos** said there were still sectors, such as health-care services, with

profit opportunities.

"So where we came out on the survey is, if you have what China wants, your business is proceeding."

The CCBC declined to comment on the potential impact of Canadian telecoms' decisions not to do business with Huawei.

Other sectors that shouldn't be too worried about potential retaliation include tourism and international education, said McCuaig-Johnston, because they have already been hurt by global travel bans instituted to stop the spread of COVID-19.

So while Canadians schools and tourism firms will suffer this year, the damage is being inflicted regardless of what Beijing does.

McCuaig-Johnston also noted that, despite Huawei investing as much as \$56 million in the last decade in Canadian tech research, the sector shouldn't worry about a pullout because the Chinese telecom has disproportionately benefited from matched funding from Canada while retaining much of the intellectual property developed from these initiatives. ■

See "China And U.S. Are Huge Hurdles For Canada's COVID-19 Comeback" (page 18).

B.C.'s sales of legal cannabis soar during March

DRUGS | Number of retail pot licences issued in B.C. has jumped to 254 from 176 at the end of 2019

BY GLEN KORSTROM
GKORSTROM@BIV.COM

Cannabis sales in B.C. are soaring thanks in part to the COVID-19 pandemic. They surged in March to a record monthly total of more than \$23.5 million, according to **Statistics Canada**. That's more than eight times the \$2.84 million that British Columbians spent on legal weed in the same month a year ago.

The same trend held true countrywide. Canadians spent nearly \$181.1 million on legal cannabis in March, or nearly triple the \$60.9 million that they spent in March 2019, according to the federal statistics agency.

Some factors at play, particularly in B.C., include:

- more legal stores;
- fewer black-market stores;
- newly legal product categories, such as edibles;
- improved product quality; and
- customers' desire to stock up when governments were starting to restrict business operations to slow the spread of the global pandemic.

B.C. had issued 135 retail licences to entrepreneurs who wanted to open cannabis stores in October, just before the one year-anniversary of Canada legalizing



Choom CEO Corey Gillon opened his first B.C. cannabis store in mid-May after opening stores in Alberta and Ontario | CHUNG CHOW

adult-use cannabis consumption.

That number jumped to 176 by the end of 2019 and has since risen to 254, Minister of Public Safety and Solicitor General **Mike Farnworth** told *Business in Vancouver* on May 27.

Illegal cannabis stores continue to operate in the province, but Farnworth said his ministry's community safety unit (CSU) has warned more than 270 black-market operators that they were not in compliance with provincial law. About 90 of these stores have closed, he added.

The unit has also seized records and cannabis and fined 38 illegal operators.

The **Greencity Cannabis Boutique**, at 1232 Burrard Street, for example, posted a notice on its doors in early March saying, "The provincial government is forcing us to close."

While some authorized cannabis retailers complain that fines to black-market competitors are too low, Farnworth told *BIV* that the province's formula for fining illegal operators twice the value of their illegal inventory is

"appropriate."

The largest fine that the CSU issued was for \$1.5 million. One large fine that was paid was for \$750,000, said Farnworth.

"The CSU will adjust its methods to make sure that they are able to go after those who deliberately want to keep thumbing their noses, but we're pleased with the way enforcement has been going."

Farnworth suggested that another reason for rising legal-cannabis sales is that producers have upped their game by improving the supply chain and product standards.

"More and more, people are finding that the quality is what they want and they're finding that they can get what they want," he said.

Several cannabis retailers told BIV that the legalization and availability, starting in late December, of edibles, infused drinks and vaping products has also bumped up sales - but also that the supply chain for those products has been unreliable.

Choom (CSE:CHOO) CEO **Corey Gillon** said he sold out of gummy bears soon after his store on West 2nd Avenue opened on May 15. Sales of vaping products have been strong, at about 20% of overall sales, and he plans to

partner with vape-product maker **Dosist** to open a kiosk within his store later in June.

Gillon said that a more likely reason for the spike in sales in March was that when the COVID-19 pandemic prompted the B.C. government to declare a state of emergency and restrict dine-in service at restaurants as well as services such as haircuts and manicures, panicked consumers went on a buying spree.

"People were stocking up, I'd say, for a good week there," **Hobo Cannabis Co.** owner **Jeff Donnelly** told *BIV*. "That one week's sales, out of those four weeks, really benefited us."

In April, the B.C. government started allowing private cannabis sellers to take online orders as long as customers paid for products in-store and picked them up in person.

Donnelly and others want the government to go further and allow e-commerce sales.

Farnworth told *BIV* that he is open to having the B.C. government's online retailer compete head-on with private sellers.

"We're certainly looking at it. One of the things that I want us to do is be innovative and be able to operate in a way that supports the industry and reflects what consumers would like as well." ■

Trade through B.C. port weathers pandemic storm

TRANSPORTATION | Airports, airlines hit hard, but other links in the supply chain network are holding up

BY NELSON BENNETT
NBENNETT@BIV.COM

As talk last week by federal Transport Minister **Marc Garneau** on the pandemic's effect on Canada's transportation and trade network symbolized what the sector has faced when his audio on a Zoom conference cut out toward the end of his talk.

"Interrupted" pretty much sums things up.

Following a series of railway and highway blockades by First Nations against the Coastal Gas-Link pipeline, which blocked the movement of goods in February and March, COVID-19 hit Canada's transportation and trade networks as the pandemic shut down sectors of the economy, put curbs on trade and pretty much grounded airlines for all but cargo flights.

At the virtual forum on transportation sponsored by **Deloitte** and the **Greater Vancouver Board of Trade** (GVBOT), representatives for the **Vancouver Fraser Port Authority** and the **Canadian National Railway Co.** (TSX:CNR) said ports and railways have proven to be surprisingly resilient

throughout the pandemic.

There were reduced volumes for some imports and exports, but there were also record shipments of grain through the Port of Vancouver.

Damage to the global and Canadian supply chain could have been a lot worse, it appears.

"COVID has slowed things down, but the trains are still operating, the ships are still coming into port and leaving port, the trucks are still going to the United States and coming back and going across Canada," Garneau said. "At lower rates, it's true."

However, one node in Canada's transportation network has been hammered into a virtual standstill: airlines and airports.

Airline passenger traffic volume is down more than 90%, due to global travel restrictions, and the resumption of air travel is expected to be slow.

The **Vancouver Airport Authority**, which planned to spend \$700 million this year on airport expansion projects, has cut that amount by more than half and has also laid off 23% of its 26,000-person workforce.

Air Canada (TSX:AC) has also



Goods movement through Vancouver's port and railway networks has remained relatively unscathed during the pandemic compared with other sectors | CHUNG CHOW

resorted to extensive layoffs, and quickly converted some of its passenger jets to cargo flights to stay in business. **Tim Strauss**, Air Canada's vice-president of cargo, said the pandemic put the airline in "an untenable position."

The federal government has waived airport rents for airlines, but the sector's recovery depends on the reopening of borders worldwide.

As for the Port of Vancouver, the biggest impact has been from the cruise ship industry, said Vancouver Fraser Port Authority CEO **Robin Silvester**.

For Vancouver, the cruise ship industry has been

effectively cancelled for 2020, though Silvester said rail and marine trade has held up better than expected.

"At the end of April, year-to-date cargo through the port was, in fact, 1% above the year-to-date volumes for the end of April 2019," he said, adding that container ship volumes are down, but grain exports are at record levels.

"And we're seeing strong steel making volumes, strong potash volumes in exports all around the world moving through the port."

The port has also kept expansion projects on track, including a \$400-million-to-\$500-million

Centerm container terminal expansion.

In the longer term, Silvester said, he hopes to see the federal government approve the **Roberts Bank Terminal 2** project, which he said would generate 11,000 person years of construction work and 12,000 long-term operational jobs.

Through its **National Trade Corridors Fund**, the federal government has been addressing transportation bottlenecks and diversifying trade.

Two dozen projects under that fund have been identified for B.C., with \$1.4 billion for transportation infrastructure and trade corridor improvements, Garneau said.

While some projects have proceeded, others have been delayed by the pandemic.

"We are looking at options to see if we can help to stimulate, through the National Trade Corridors Fund [the economy] ... to see if we can use infrastructure funding in an innovative way perhaps to get those projects jump-started as quickly as possible," Garneau said. "We realize this is one way to stimulate the economy." ■

FINANCE

B.C. business confidence dips in May



DATA POINTS

BRYAN YU

Confidence at B.C.'s small and medium-sized businesses retreated during May's second half.

The Canadian Federation of Independent Business' (CFIB) latest business barometer came in at 52.7 points, down four points from the first half of the month. The index hit a historic low of 28.8 points during the second half of March. An index level above 50 means owners expecting their business' performance to be stronger in the next year outnumber those expecting weaker performance.

While generally stabilizing, many businesses are understandably pessimistic.

While government supports

have helped, losses continue to accrue to business owners.

B.C.'s restart plan, which has already entered Phase 2, means more businesses, particularly restaurants and retail, are in a recovery but will continue to operate well below capacity.

The CFIB's latest reading shows that 43% of businesses deem business health as bad, with only 17% noting good conditions. On the employment front, 36% of survey respondents plan full-time staffing cuts, which is down from nearly 70% in April.

Restaurants have clearly been among the hardest-hit sectors during the COVID-19 pandemic. Sales for B.C. food services and drinking places plunged 37.6% in March to \$655 million, which was slightly deeper than the national decline of 36.6%.

Full-service restaurants and drinking establishments were hardest hit. Compared to an overall decline of 38% year-over-year, both segments fell 51.6%. In contrast, sales at limited service (fast food)

restaurants declined 24%. While some full-service restaurants pivoted to emphasize takeout during the period and into April, this provided only some offset.

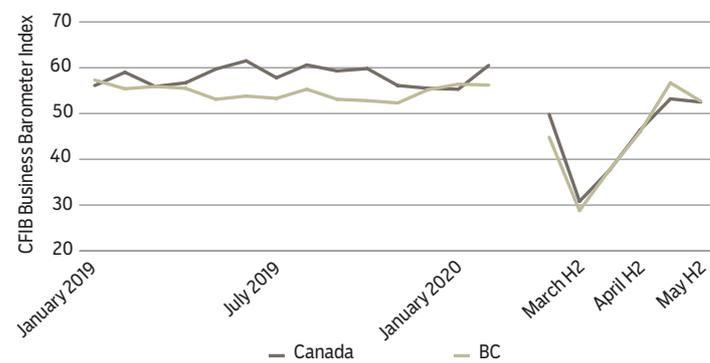
April data will undoubtedly be lower with an accelerated decline due to the full effects of COVID-19 measures. **Open Table** data shows dine-in activity fell sharply from the second week of March onwards, with 100% year-over-year declines by mid-March. This persisted in April and through mid-May.

Activity will remain weak despite the sector restart. Capacity restrictions are in place to promote physical distancing, although some municipalities are also shifting policies to allow increased patio space to boost sales. July and August are peak sales months, reflecting tourism and wedding season. COVID-19 attendance restrictions will severely stunt these activities. ■

Bryan Yu is deputy chief economist at Central 1 Credit Union.

CFIB's twice-monthly business barometer index

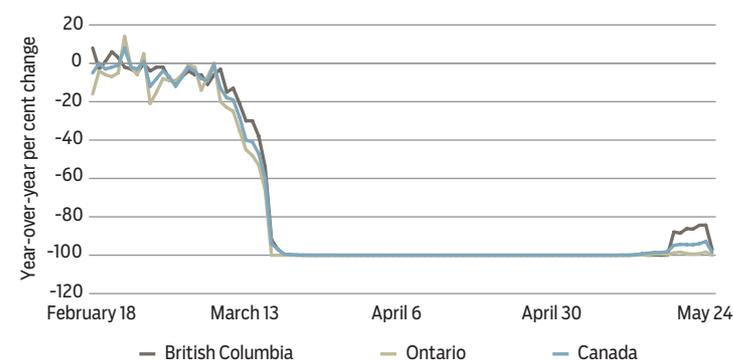
The federation's index hit a historic low during the second half of March



SOURCES: CANADIAN FEDERATION OF INDEPENDENT BUSINESS, CENTRAL 1 CREDIT UNION

Restaurants were hit especially hard in the pandemic lockdown

March sales for restaurants and bars fell 52% year over year



SOURCES: STATISTICS CANADA, CENTRAL 1

INSIDER TRADING

The following is a list of stock trades made by corporate executives, directors and other company insiders of B.C.'s public companies filed in the week ended June 3, 2020. The information comes from a compilation of required reports filed with the BC Securities Commission obtained from DisclosureNet.com.

INSIDER John Stalker, director
Company: **K92 Mining Inc.** (TSX-V:KNT)

Shares owned: 710,850

Trade date: May 28

Trade total: \$486,000

Trade: **Sale** of 120,000 shares at a price of \$4.05 per share

INSIDER Thomas O'Neill, director
Company: **Summa Silver Corp.** (CNSX:SSVR)

Shares owned: 150,000

Trade date: May 28

Trade total: \$104,500

Trade: **Acquisition** of 550,000 shares at prices ranging from \$0.03 to \$0.25 per share

INSIDER Anthony Alvaro, issuer
Company: **Standard Lithium Ltd.** (TSX-V:SLL)

Shares owned: 550,000

Trade date: May 29

Trade total: \$92,556

Trade: **Acquisition** of 91,400 shares at prices ranging from \$0.99 to \$1.04 per share

INSIDER Russel McMeekin, 10% owner, director, officer
Company: **mCloud Technologies Corp.** (TSX-V:MCLD)

Shares owned: 5,420,202

Trade date: May 28

Trade total: US\$60,805

Trade: **Acquisition** of 20,300 shares at prices ranging from US\$2.97 to US\$3.04 per share

INSIDER John Ernest Black,

director, officer
Company: **Regulus Resources Inc.** (TSX-V:REG)

Shares owned: 3,186,053

Trade date: May 29

Trade total: \$54,450

Trade: **Acquisition** of 75,000 shares at prices ranging from \$0.71 to \$0.73 per share

INSIDER William Elmer Pfaffenberger, officer
Company: **Teuton Resources Corp.** (TSX-V:TUO)

Shares owned: 175,500

Trade date: May 28, 29, June 1

Trade total: \$48,000

Trade: **Sale** of 70,000 shares at a price of \$0.64 to \$0.79 per share

INSIDER Blair Lawrence Naughty, 10% owner
Company: **Silver Dollar Resources Inc.** (CNSX:SLV)

Shares owned: 604,500

Trade date: May 29

Trade total: \$43,045

Trade: **Acquisition** of 150,000 shares at prices ranging from \$0.28 to \$0.30 per share

INSIDER Ryan K Beedie, officer
Company: **Ocean Iron Ore Corp.** (TSX-V:FEO)

Shares owned: 1,301,500

Trade date: May 28, June 1

Trade total: \$34,375

Trade: **Acquisition** of 312,500 shares at a price of \$0.11 per share

INSIDER Peter Martin Kuhn, officer
Company: **Blue Star Gold Corp.** (TSX-V:BAU)

Shares owned: 1,550,500

Trade date: May 29, June 1, 2

Trade total: \$25,550

Trade: **Acquisition** of 401,000 shares at a price ranging from \$0.05 to \$0.08 per share ■

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Pandemic an unprecedented

ANALYSIS | COVID-19 has forever altered the

As part of *Business in Vancouver's* Business Leadership Series, some of British Columbia's top CEOs spoke with *BIV* recently about the pandemic's impact on the economy and the efforts of businesses to recover. Offering their perspectives this week are **North Shore Studios** president **Peter Leitch**, business magnate **Jimmy Pattison**, **Galvanize** president and CEO **Laurie Schultz**, **Vancity** CEO **Tamara Vrooman** and **Lululemon** founder **Chip Wilson**.

How did you first react when you apprehended the threat to business of COVID-19?

JIMMY PATTISON: I think that we didn't expect the severity that has occurred. We've been through a few things before, but nothing like this. The depth of the problem and the length of it ... there's nothing that's happened before in the history of the world that I'm aware of, so it covered a lot of new ground. This is a new experience for everybody.

CHIP WILSON: I had a board meeting in Shanghai. As we got closer to the meeting, it got shifted from Shanghai to Hong Kong, and then to Tokyo. Most of China was shut down – probably 80% of our retail stores were. We knew that it was a big hit on the retail sector.

My concern was quite limited. And of course I look back at it now and I go, 'Oh my god, I was right there.' I had all of the information in the world, but there was just no thought that it was going to go global.

TAMARA VROOMAN: I had either the coincidence or the good fortune of being in Europe for an international values-based banking meeting in Bern, Switzerland, in late February. Just as things were starting to emerge there in Germany and northern Italy.... I could see what was happening there ... and having

that change quite suddenly was quite a wake-up call for me. Shortly before there was an official state of emergency, we were already working on our pandemic response plan ... to make sure our staff first and foremost was safe and then that we could also serve our members in different ways, knowing they would need access to their finances during this time.

PETER LEITCH: We realized that this is going to be something serious for our industry just because of the nature of how we have gatherings of people. And so it did close down fairly quickly and it was probably two or three weeks before everything was shut down.

LAURIE SCHULTZ: I remember in the beginning of March we had a large customer conference planned. It was in Florida, and we expected about 800 people there. And we were debating whether we should cancel it, and it's shocking to think we actually had that debate. And literally in weeks we cancelled the conference and shifted to a virtual conference, and it's amazing the outcome. We saw almost three times the number of customers join the conference.

What has surprised you the most about the experience of the pandemic?

PATTISON: What surprised me was the seriousness of it and the breadth of it. It doesn't matter who you are, you're at risk. Just the whole breadth, width, depth of this is something I've never run across. Nor has anybody else.

WILSON: Just how well we've worked at Zoom. Our office started working at Zoom about six months ago, and I found it quite effective. We were really ready to go.

What would happen in 10 years is happening right now. I think people are going to work from

home a lot. Will we end up with 20% of core people working in our offices now? Will we end up with a meeting on Fridays, breaking up into little groups, keeping our culture together, having our lunch together and then going away for another week? How will we react when we have new employees come in who need to get to know everyone?

VROOMAN: In a good way, how quickly we all adjusted – beyond just our business, people in my neighbourhood, people in our community. The fact that people, just after just being asked to, stayed home and stayed away and took the necessary steps and adjusted their lives in the most profound way, is encouraging ... because it was extraordinary.

LEITCH: The biggest surprise for me was just the 'Let's fix this; let's resolve this problem [attitude of industry].' And I think that's the biggest surprise to me, that people were up for the challenge, saying, 'Oh, no – we're going to get back to work and this is how we do it.'

SCHULTZ: We have 300 employees here [in Vancouver], but it's been really interesting to navigate this. We have 100 employees in India, for example, offices in Singapore, Japan, Sydney, London, and so the complexity with all of the different local compliance and government responses has been very challenging for us. Though, again, as a tech company we've been able to get our employees to [work from] home very consistently, and I think like everybody else we've been quite amazed by how productive employees have been.

How do you think business practices will change?

PATTISON: There's definitely going to be changes that, in my opinion, are going to last maybe indefinitely that will have come out of this. This is not going to

We've been through a few things before, but nothing like this. The depth of the problem and the length of it ... there's nothing that's happened before in the history of the world that I'm aware of, so it covered a lot of new ground. This is a new experience for everybody

JIMMY PATTISON
CHAIRMAN AND CEO, THE
JIM PATTISON GROUP

pass, this experience, without some long-term changes. Working at home is definitely something that will rise to a new level that we have never seen before.

WILSON: Will 60% of us end up in the gig economy? It's already happening where you'll send a question to somebody in India overnight, and when you get up in the morning, the answer will be there, and you didn't have to wait. Will 60% of our employees be [part of] the shared economy, and what will that mean to the workforce? We'll become global, prices for salaries will probably come down, but that'll be OK because everything's going to cost a lot less too.

VROOMAN: I do think the retail landscape is changing. Will it change permanently to be one form or the other? I don't think so. I think we'll see a lot more hybrid models coming up, where you order things online, come in and pick them up at a certain time, try them on ... that make both the customer experience

more personal but also more efficient. But I do see that, definitely, the combination of online and in-person has taken a significant step forward.

LEITCH: The B.C. health authorities have provided some guidelines and WorkSafeBC has provided guidelines, which we are absolutely going to comply with, plus more. Again, the priority for us is people being confident to come back to work and work in a safe environment, so I think some of the changes we're going to see is there's still going to be some social distancing, there's going to be lots of PPE on sets that we hadn't had before. In terms of things like serving meals, that's going to change a lot. We're not going to have those buffet-style dinners and lunches anymore.

SCHULTZ: We're all learning that work-from-home folks can be productive. And I'll admit I feel like I have to keep apologizing for being a generation X-er: I've been fairly traditional in my mindset. Though I work for a tech company, I like the idea of people being in an office. It helps us, at least, really leverage our culture.

How do you think B.C. will adapt?

PATTISON: Certainly communication, the way we do things, like your conversation with me right now [on Zoom], is something I've never done in my life before. Yet this is the umpteenth time I've been on one of these calls in the last month. This really works. It's not as good as face-to-face, but it's better than the telephone.

WILSON: I think the big issue may be more in our type of government and where we are right now. We've got a split government: it's very tenuous, moving into another election. Probably the DNA of the NDP is more to take care of the few people in the present, especially the disadvantaged, rather than

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business challenge: top CEOs

course of B.C.'s economy, business leaders say



North Shore Studios president Peter Leitch

thinking what's best for the long run. Usually in this situation companies' processes would get streamlined, everything would change and everything would be quicker and faster. I know companies that work that way, but I don't think our government is set up to work that way right now. And it's a sad thing.

I think it needs to be set up to support a gig economy. Whole sectors are going to be disrupted in this, and I think what the government doesn't realize right now is that it costs more for retail to open up part way than it does to keep closed down. If we continue social distancing for another couple of months, I suspect we're going to have 20% empty retail stores by November. **VROOMAN:** I think that what we have is a bit of a blessing and a curse. The blessing, which is the most important one, is that so far it seems that we have not had the negative health effects that other jurisdictions, even in our own country, have had. One of the things I worry about with that, though, is that there is potentially a bit of complacency, so how do we really both understand the discipline that it takes for us to continue to work this way for several months, potentially even years, until we



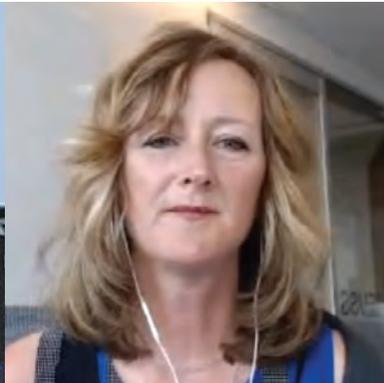
Jim Pattison Group chairman and CEO Jimmy Pattison

have a vaccine or an effective treatment and consumer confidence can really come back again. But also that we're needing to spend the time to understand what the future looks like....

Where do we see opportunity for our region in terms of medium- and long-term economic growth? Are there things that we can uniquely leverage here that will set B.C. up to thrive post-COVID? Certainly our ability to welcome immigrants and new Canadians needs to continue if our region is going to enjoy the diversity and the economic ability in our region. We need it for innovation and labour market reasons.

LEITCH: In general, the people involved in the industry are great problem-solvers. Safety has been paramount for the last couple of years for us even prior to this, and further back. In some ways we're up for the challenge. It's quite complex, but we're all broken down into different departments ... [and] the leadership of all those different groups have really come together and are putting together best practices under the new scenario, post-COVID-19.

SCHULTZ: We have 6,000 customers in 130 countries around the world. And while two-thirds of my employee base are here in Vancouver, and I'm



Galvanize president and CEO Laurie Schultz

a fiercely loyal Canadian, less than 5% of my customers are in Canada.... I have the ability to flatten my risks and [expand] opportunities by virtue of having access to customers all around the world. And I think for B.C.-based organizations that have that global ambition or at least even that global backdrop already, they're going to be in a very, very good situation to be resilient.

What are the opportunities for business in the time ahead?

PATTISON: Fundamentally things will continue. And, by the way, I believe long-term everything is going to be just fine. But in the meantime there will be changes that will continue. By the same token, the fundamentals will continue that have made our country, business and opportunities, will exist as they always have.

WILSON: I think what we're going to see is an era of mergers and acquisitions – if not bankruptcies – where maybe 10 apparel brands will get together and form one company and have one back-end of HR, finance, logistics. I think that will happen in many, many sectors. It's just natural selection.

The other thing that I think is going to happen is VR [virtual

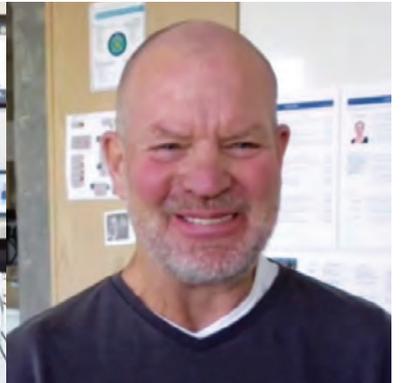


Vancity CEO Tamara Vrooman

reality] e-commerce. The websites that we see now are going to look archaic. To be able to click onto a website and have a person that's got some kind of camera on their head walking around in a store or VR with a salesperson that's a bot of some sort, will be the way of the future. **LEITCH:** We really see British Columbia as a go-to place now because of the way the health authorities have handled things....

There's no doubt in my mind that we'll have a competitive advantage here as a result of the care that we've taken and also just the safety protocols and the educated workforce that we've got up here that understands the importance of that in terms of continuing work. The worst thing that could happen for us is if people return to work too soon and they get sick and the industry would be down for some time. **SCHULTZ:** In Vancouver, we are challenged for tech talent here just from a supply-and-demand perspective. Of course, with work from home, that has no bounds now. And so I think from a talent-supply perspective, really revisiting where we source talent from is a great game-changer.

What have you done to take care of yourself in the pandemic?



Lululemon founder Chip Wilson

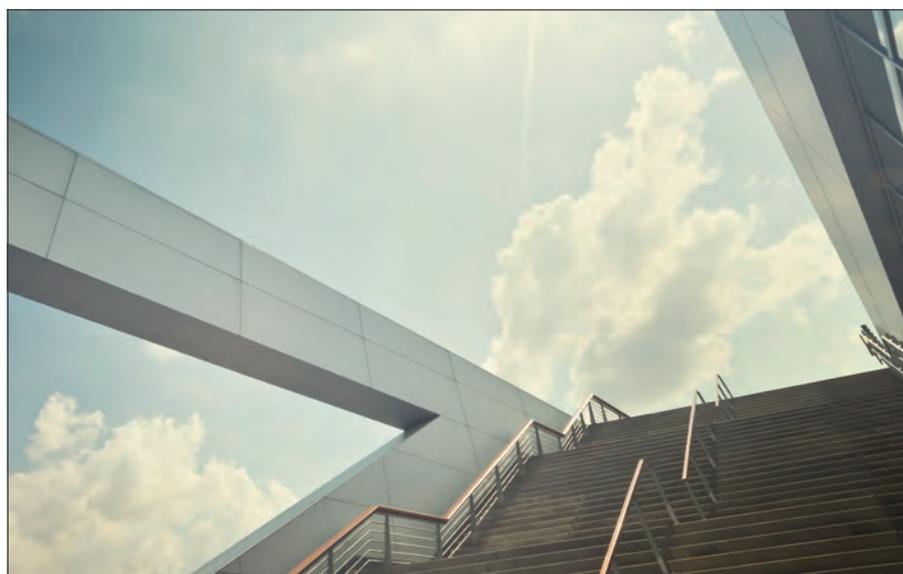
PATTISON: I'll tell you what I'm doing: I'm following the rules that they ask us to do. I'm trying to pay attention to all of the things they're talking about. Not perfectly, but very, very close to it.

VROOMAN: I am very fortunate in that I have a very supportive family. They make sure we're doing fun things like playing epic games of Risk and Clue and all the old-fashioned things where I am continually reminded I'm not the CEO of everything.

What do you think you've learned about yourself in this situation?

PATTISON: That's a good question. What I've learned about myself is that I'm so grateful to the good Lord I live in British Columbia. Secondly, I'm going to bed a lot earlier than I used to, and that seems to work OK. We'll see if that lasts.

VROOMAN: I think I have a different view of glass half-full and half-empty. While I in no way have minimized the challenge that COVID has brought, by and large I have had energy throughout. It's been an exciting time. It's been a time of problem-solving and creativity and mobilizing and proving that we can do things that people said a credit union couldn't do. ■



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Lawson Lundell business lawyer Jack Yong: "if your force majeure clause actually says 'pandemic,' you're in luck. You're more likely to be able to rely on it" | CHUNG CHOW

COVID-19 creates lengthy court system backlog

Trial lawyers association raises concerns over the impact of delayed access to justice in B.C. as provincial courts gradually reopen

Business starting to return for B.C. law firms

Pandemic slammed brakes on trials and other legal matters, but it has created demand in new arenas for lawyers

UBC law school names advisory committee head

Past managing partner of McCarthy Tétrault law firm's Vancouver office appointed

Office reopenings raise new legal complications

Complexity and profile of workplace health and safety issues raised in pandemic era

BIVLIST

Biggest law firms in Metro Vancouver

9 Law firms help navigate uncharted waters

COVID-19 | Lawyers field major uptick in privacy and employment law queries

BY NELSON BENNETT
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Independent power producers in B.C. may be lawyering up, following BC Hydro's recent announcement it did not need – and would not pay for – some of the power they produce, due to the impact of the pandemic on electricity demand.

BC Hydro is invoking "force majeure" as a justification for breaking contractual agreements with independent power producers.

Business lawyers say they expect a lot of force majeure claims and negotiations, as a result of the pandemic. They also are getting a lot of inquiries about privacy and employment laws.

The COVID-19 pandemic has thrown governments and business into uncharted waters. Not surprisingly, business lawyers have been getting a lot of inquiries from employers needing advice.

Can they break a contract, even if the contract doesn't have a force majeure clause? Can they fire an employee who refuses to come back to work, as the economy reopens? Can employers ask employees personal health questions without running afoul of labour and privacy laws?

Jack Yong, business lawyer with Lawson Lundell LLP, said his firm is getting a lot of queries about "force majeure" claims.

"Right now what we're seeing

is a lot of negotiations, transactions coming apart, parties trying to rely on the concept of force majeure to either walk away from contractual obligations, or to renegotiate them," Yong said.

Otherwise known as acts of God, force majeure events include natural disasters and other unforeseen circumstances that may prevent companies from fulfilling contractual obligations. Many contracts have force majeure clauses. Some even specifically mention pandemics.

"If your force majeure clause actually says 'pandemic,' you're in the luck," Yong said. "You're more likely to be able to rely on it."

Not all contracts have force majeure clauses, however, in which case a business that can't live up to contractual obligations, due to state of emergency restrictions, may still be able to rely on the legal concept of "frustration," Yong said.

A sudden shift from working from the office to working at home has raised all kinds of privacy and confidentiality concerns for many businesses, says Suzanne Kennedy, who specializes in privacy law for Harris & Co.

And bringing those workers back, as the economy restarts, raises all kinds of legal questions over health and safety obligations.

When a state of emergency was

Right now what we're seeing is a lot of negotiations, transactions coming apart, parties trying to rely on the concept of force majeure to either walk away from contractual obligations, or to renegotiate them

JACK YONG
BUSINESS LAWYER, LAWSON LUNDELL LLP

declared in mid-March, thousands of employees were suddenly working from home, and some employers may not have thoroughly thought through the legal minefields that may have planted with respect to things like confidentiality, privacy and protection of proprietary information.

"If you're a commercial enterprise and you deal in a lot of confidential commercial information, well, suddenly all that proprietary information is populating people's kitchen tables," Kennedy said. "What we were protecting in locked offices and behind closed doors and cabinets is now migrating home.

"So part of the privacy issue became about, 'How do you

continue to keep data secure?' There are all kinds of electronic issues that come with that. Are you having sensitive telephone conversations in earshot of other people from home? There is all this new territory for data breaches."

A lot of business meetings suddenly went online, with Zoom and other conference calling platforms, which could be vulnerable to hacking or even someone – a spouse or nanny – listening in who shouldn't be.

Kennedy advises clients to read the fine print carefully for the various technologies they may be using, like video conferencing or WhatsApp-type messaging services.

"A lot of service providers limit their liability for data breaches to a very significant extent," she said. "And in the rush to get everybody working, I'm not sure how many of us or our clients looked very closely at those."

The pandemic has also created a lot of uncertainty with respect to rights and obligations of employers and employees. As businesses and offices reopen, many employers have questions about how to balance their obligations to ensure a safe workplace while not encroaching on employee privacy. Can they require all employees to have their temperatures taken every morning before they start work?

CONTINUED ON PAGE 11

Lawyers warn of lengthy B.C. court system delays

PROCESS | It remains unclear when non-urgent legal matters can be scheduled for their day in court

BY HAYLEY WOODIN
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After two and a half months of limited operations, certain **Provincial Court of BC** courtrooms resume in-person proceedings on priority matters this week.

As of Monday, two courtrooms at courthouses in Vancouver, Surrey, Victoria, Prince George and Kelowna are open for urgent matters that cannot be accommodated remotely. An additional 28 courtrooms will open throughout the province on June 15.

But it remains unclear when non-urgent matters adjourned due to the COVID-19 pandemic – be they business lawsuits, personal injury litigation or criminal proceedings – can be scheduled for their day in court.

“Hundreds and hundreds of trials and hearings relating to all matter of both criminal and civil litigation have been adjourned,” said **John Rice**, president of the **Trial Lawyers Association of British Columbia (TLABC)**, which represents around 1,500 members whose primary practise is in personal injury, family and criminal law.

Uncertainty persists around how and when those matters

will be rescheduled in a system already burdened by significant delays.

“I think the delays are going to be profound,” Rice said. “From the legal community’s perspective, the biggest single consequence and concern with the impact of COVID on our court system is access to justice, because, in many circumstances, justice delayed is justice denied.”

B.C. courts have taken steps to address what lawyers say will be a massive backlog of cases. The provincial court is now hearing settlement conferences by phone for small claims matters that were adjourned. It is also rescheduling family case conferences by phone and conducting pre-trial conferences via Microsoft Teams on all criminal trials scheduled for more than half a day.

All **BC Supreme Court** civil and family trials scheduled on or after June 8 will resume, but may be subject to change. The court continues to hear urgent civil, family and insolvency matters remotely. Civil and family matters that were adjourned during the pandemic may also be scheduled for a telephone conference hearing, and the court has provided directives for scheduling remote trial management conferences.

The biggest single ... concern with the impact of COVID on our court system is access to justice

JOHN RICE
PRESIDENT, TRIAL LAWYERS
ASSOCIATION OF BRITISH COLUMBIA

“They’re telling the people who were cancelled during COVID – so from March until June – to start booking based on the court’s availability. And right now, the next availability is May of 2021 for trials,” said **Leena Yousefi**, a family lawyer and the founder of **YLaw**. When the Supreme Court lifts its suspension of regular operations, she expects availability challenges.

“As soon as they open the gates, it’s going to be a gong show,” she said, noting that B.C.’s judicial system was suffering from a shortage of judges prior to the COVID-19 pandemic.

The picture appears different for the **British Columbia Court of Appeal**. The court told *Business in Vancouver* that all but four of approximately 41 appeals adjourned

due to the pandemic have been rescheduled – many over the summer – with judges sitting extra weeks to address the court’s COVID-19-related backlog.

At the provincial and supreme court levels, delays will mean emotional and financial costs for clients. They can even affect cases themselves.

“I believe that there are thousands of criminal cases at risk of being subject to a challenge that the person wasn’t able to get their trial within a reasonable time because the courts have not been able to reopen as of yet and start hearing trials,” said **Michael Shapray**, a criminal lawyer with **Stern Shapray Criminal Lawyers**.

Shapray said those accused of crimes have the constitutional right to have their matter heard within a certain time frame. A dismissal of a case isn’t automatic and would be heard before a judge, but Shapray believes that, despite the unprecedented impact of the pandemic, lawyers will – at a certain point – argue for their clients’ rights to be protected.

“The backlog of cases to be scheduled is massive, and the court was already booked up. So finding time, courtrooms and judges to hear those cases is going to be a huge challenge at the

provincial court level.”

Shapray added that there have been thousands of matters adjourned due to COVID-19.

While many companies and British Columbians were quick to shift to working from home, Rice said the province’s judicial system is poorly equipped to manage operations remotely after decades of underfunding.

“What the pandemic also revealed quite brutally was how woefully underfunded our justice system was in terms of its technological infrastructure,” said Rice. “We just don’t have the capacity, in British Columbia, to administer the justice system except physically in person, in bricks and mortar court houses.”

TLABC is advocating that the provincial government make a significant investment to ensure B.C.’s judicial system can securely operate virtually, especially given the threat of a potential second wave of COVID-19.

“If the infrastructure isn’t in place in the fall, then we could be looking at another repeat of what we’ve seen over the end of March, April and May, which is the effective collapse of our justice system, with the exception of urgent proceedings. That’s really undemocratic.” ■

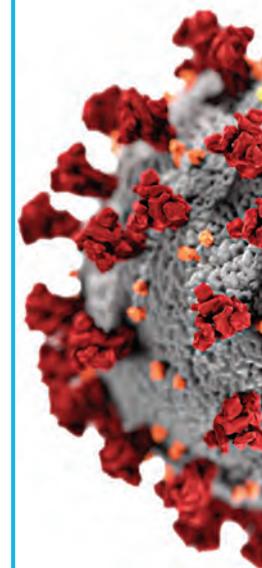
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EMPLOYMENT + LABOUR LAWYERS



Legal services demand warming up alongside economy

MARKETPLACE | COVID-19 pandemic has created new issues in employment, family and estates law

BY HAYLEY WOODIN
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Despite the many legal issues brought forward by the pandemic, the legal profession has not been immune to economic harm from COVID-19.

"I was sweating," said **Simon Kent**, founder of **Kent Employment Law** and part owner of **Connect Family Law**. "I was very worried about it. Absolutely very, very worried. But we survived it and are going to do fine."

Kent said both law firms suffered a decline in business of about 20% in the early stages of the pandemic.

"Initially the phone stopped ringing for new business," he said. "People didn't know how bad the pandemic was going to be. And just like all things, people basically closed up their wallets."

According to recent research by Burnaby-based legal technology firm **Clio**, 56% of nearly 500 U.S. legal professionals surveyed in April reported a significant decrease in people reaching out to their firms for legal help. Nearly 50% of more than 1,000 consumers surveyed by Clio reported they would put off a legal issue until the pandemic had subsided.



Kent Employment Law founder Simon Kent: business is back to normal after an initial COVID-19 shock | SUBMITTED

That U.S.-based data tracks with anecdotal reports from lawyers in B.C.

"We're seeing a significant increase in certain types of inquiries and then a significant decrease in others," said **Leena Yousefi**, a family lawyer and the founder of **YLaw Group**.

Her firm received very few calls in the first weeks after B.C. declared a public health emergency. But then the freeze in demand for legal services began to thaw.

"We started seeing a lot of parents using COVID in a lot of situations as an excuse not to let the other parent see their children," Yousefi explained. Her firm has also seen a surge of enquiries related to abusive relationships and domestic violence, and an increase in instances of unpaid child support due to COVID-19-related layoffs.

Kent says employment-related consultations at his firm doubled as the number of workers laid off in B.C. grew.

"A whole new area of employment law sort of evolved around this concept of putting a lot of employment relationships on hold, which is traditionally something that we don't see as employment lawyers," he explained.

Kent said activity at both of his firms is back to where it was pre-pandemic, with Kent Employment Law now fielding enquiries around dismissals that have flowed from earlier layoffs.

"There definitely was a bit of a spike for me of people wanting to do their estate planning," said **Jonathan Vroom**, a partner and business lawyer at **North Shore Law LLP**.

He added that, in the words of a realtor he spoke to, real estate

law has been "surprisingly not awful," with transactions to buy and sell properties still occurring. Vroom has also dealt with a lot of commercial tenants who can't get their landlords to consider the Canada Emergency Commercial Rent Assistance program, which offers forgivable loans to property owners who offer a rent reduction of at least 75% to their tenants in April, May and June.

"It doesn't help that when the government announces a new program, often the details don't yet exist. So the moment the government announces a new program, we start getting a flood of enquiries," Vroom said.

Don Sihota, a partner and mergers and acquisitions lawyer with **Clark Wilson LLP**, has also received a lot of questions around landlord issues, employment and wills and estates.

"If you're in a high-risk age group, you don't want to leave your wills and estates planning and not do it when there's this issue out there," he said. "If you don't deal with it now, it's going to be a disaster if something happens to you. By disaster, meaning your business is going to fall into turmoil."

The M&A market has slowed,

with deals either stalled or delayed. But Sihota said he has no doubt M&A activity will resume, perhaps in the fall or in early 2021.

"I sense a huge demand from buyers and sellers that are still out there," he said. "And when it does come back, it's going to be very, very busy because there's going to be pent-up activity that was just kind of on hold."

Other practice areas could see increases in demand as B.C.'s economy reopens.

For example, Kent said he expects there could be a number of actions brought forward related to layoffs and employment issues once B.C. courts resume more regular operations.

In March, the **BC Supreme Court** adjourned civil and family matters scheduled on or before May 29, and made provisions for hearing only urgent and essential matters.

Certain matters that were adjourned can be scheduled for a hearing via telephone conference, but there was a backlog in B.C. courts before COVID-19, and the pandemic has exacerbated that problem.

"As soon as they open the gates, it's going to be a gong show," said Yousefi. ■

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Vancouver lawyer to chair UBC law's advisory committee

EDUCATION | Mitchell Gropper is recognized as legal profession leader

BY JEREMY HAINSWORTH
JHAINSWORTH@GLACIERMEDIA.CA

The past managing partner of McCarthy Tétrault law firm's Vancouver office, **Mitchell Gropper**, has been appointed chairman of the dean's advisory committee for the Centre for Business Law at the University of British Columbia's (UBC) Allard School of Law.

"Like many educational institutions across the country, the current pandemic has



Mitchell Gropper | SUBMITTED

brought forward a number of challenges," said UBC Board of Governors chairman **Michael J. Korenberg**. "To have the

leadership and wise counsel of Mitch at a time like this will serve the Centre well. We are fortunate to have his wisdom and extra engagement as we navigate through to better times."

Gropper spent 28 years at McCarthy Tétrault's Vancouver office. In 1998 he joined **Farris LLP**, where he practices law as a senior member of its business and corporate law group.

Gropper has received multiple awards over his career, including **Lexpert's Zenith Award** as one

of 40 leading Canadian lawyers. He was named one of Canada's 40 "deal-makers," one of Canada's 100 most creative lawyers and one of Canada's 100 leading cross-border transaction lawyers.

Gropper has served as a director of **Diversified Royalties Inc.** (TSX:DIV), **Catalyst Paper Inc.**, **Crew Gold Inc.** and **Concert Properties Ltd.** He is chancellor and a director of the **University of Canada West** and a member of the project assurance committee

for **BC Hydro's Site C dam**.

Other members of the advisory committee are **DLA Piper** partner **Ryan Black**, **World Bank** administrative tribunal judge **Lynne Charbonneau**, **Norton Rose Fulbright Canada** managing partner **Janet Grove**, **McCarthy Tétrault** partner **Ted Koffman**, **Wreath Group Holdings Inc.** managing CEO **Brenda Leong**, **Chartered Professional Accountants of British Columbia** president and CEO **Lori Matheson** and **McMillan LLP** partner **Tom Theodorakis**. ■

LAW FIRMS

CONTINUED FROM PAGE 8

Can they ask questions about the employee's personal health, or the health of their family members?

And what if an employee, who may have no underlying health concerns, refuses to come back to work, simply because he or she feels uncomfortable, or who needs to stay home because of children who are not yet back in school?

Even though some human rights and labour laws may not have adapted yet to an evolving landscape, expectations have.

"Six months ago, if somebody

phoned up their employer and said, 'Can't come to work because I can't find a babysitter,' they're not going to have a human rights obligation as an employer to accommodate that," said **Nicole Byers**, a partner at **Miller Thomson LLP** specializing in labour and employment law.

"Today, when you can't get people necessarily to do the child care, and your schools are shut down, it's a real issue," Byers said. "So employers are going to have to be flexible."

While employers are obliged to provide a safe work environment, just because an employee doesn't feel safe, that doesn't mean he or she can't be fired for refusing to

come back to work, provided the employer at least tried to address the employee's concerns.

"If an employee still refuses to return to work, we've certainly been advising employers: do not be quick to the trigger to fire people for being AWOL, because there may be some legitimate concerns, or maybe they've got things that they just haven't told you yet – for example, the spouse that's at home is immunocompromised and they're petrified.

"We think that the refusals to work, the fear of coming in to work, will be a fairly significant issue that most employers will be dealing with going forward as they try to restart." ■

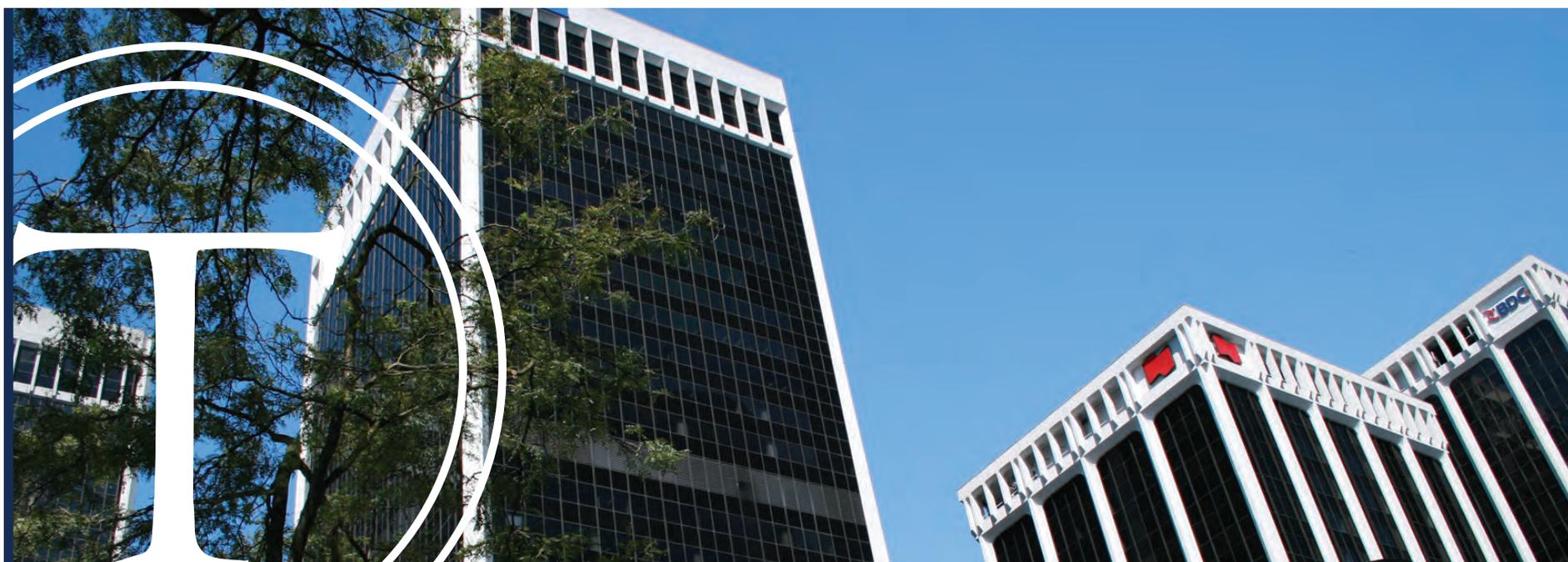


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Biggest law firms in Metro Vancouver

RANKED BY | Number of lawyers practising in Metro Vancouver



Rank '20	Law firm	Managing partner(s)	Focus areas	Year founded	Additional staff '20/'19	Partners/ Associate counsel/ Associates	No. of lawyers '20/'19
1	Fasken Martineau DuMoulin LLP 550 Burrard St Suite 2900, Vancouver V6C 0A3 P: 604-631-3131 F: 604-631-3232 fasken.com	William Westeringh , managing partner, B.C. region	International business law and litigation for every sector in business, industry and government	1889	220/ 232	NP NP NP	147/ 148
2	Borden Ladner Gervais LLP 200 Burrard St Suite 1200, Vancouver V7X 1T2 P: 604-687-5744 F: 604-687-1415 blg.com	Graham Walker , regional managing partner, Vancouver	Business and corporate commercial, commercial real estate, financial services, disputes and intellectual property	1911	199/ 216	65 9 60	134/ 125
3	Lawson Lundell LLP 925 Georgia St W Suite 1600, Vancouver V6C 3L2 P: 604-685-3456 F: 604-669-1620 lawsonlundell.com	Clifford Proudfoot, QC , managing partner	Mining, corporate commercial law, real estate, energy/public utility and regulatory, litigation, labour and employment, pensions and employee benefits	1886	145/ 145	63 4 57	124/ 119
4	Blake, Cassels & Graydon LLP 595 Burrard St Suite 2600, Vancouver V7X 1L3 P: 604-631-3300 F: 604-631-3309 blakes.com	Peter O'Callaghan , office managing partner	Corporate finance and securities, corporate and commercial litigation, financial services, infrastructure and real estate	1856	96/ 91	40 1 66	107/ 102
5	Norton Rose Fulbright LLP 510 Georgia St W Suite 1800, Vancouver V6B 0M3 P: 604-687-6575 F: 604-641-4949 nortonrosefulbright.com/ca/en	Kieran Siddall , Vancouver office managing partner, Janet Grove , managing partner	Real estate, estates, trust and wealth management, business law, dispute resolution and litigation, employment and labour	1794 ¹	179/ 160	48 7 43	98/ 92
6	Clark Wilson LLP 885 Georgia St W Suite 900, Vancouver V6C 3H1 P: 604-687-5700 F: 604-687-6314 cwilson.com	James Speakman , managing partner	Commercial real estate, capital markets and securities, information technology and intellectual property, mergers and acquisitions, estates and trusts	1911	154/ 150	54 1 38	93/ 90
7	DLA Piper (Canada) LLP 666 Burrard St Suite 2800, Vancouver V6C 2Z7 P: 604-687-9444 F: 604-687-1612 dlapiper.com	Robert Seidel , Canada managing partner	Full-service business law firm	1892	137/ 160	41 4 31	89/ 80
8	McCarthy Tétrault LLP 745 Thurlow St Suite 2400, Vancouver V6E 0C5 P: 604-643-7100 F: 604-643-7900 mccarthy.ca	Sven Milelli , regional managing partner, B.C.	Business law, litigation, real property and planning, tax, labour and employment	1855	98/ 94	36 10 39	85/ 84
9	Farris LLP 700 Georgia St W Suite 2500, Vancouver V7Y 1B3 P: 604-684-9151 F: 604-661-9349 farris.com	Jeffrey Kay , managing partner, Vancouver, Peter MacPherson , managing partner	Corporate and commercial, litigation, employment and labour, tax, wealth management	1903	118/ 115	44 5 34	83/ 81
10	Harper Grey LLP 650 Georgia St W Suite 3200, Vancouver V6B 4P7 P: 604-687-0411 F: 604-669-9385 harpergrey.com	Jonathan Meadows , managing partner	Medical negligence defence, insurance, commercial litigation, business law, professional regulation, environmental, workplace, wills and estates, family, class actions, securities, construction and engineering, mediation, defamation	1907	127/ 110	25 16 40	81/ 69
11	Gowling WLG (Canada) LLP 550 Burrard St Suite 2300, Vancouver V6C 2B5 P: 604-891-2787 F: NP gowlingwlg.com	Brent Kerr , managing partner	Intellectual property, commercial real estate, commercial litigation and dispute resolution, securities/corporate finance, Indigenous law	1903	126/ 132	38 2 31	78/ 80
12	Dentons 250 Howe St Suite 2000, Vancouver V6C 3R8 P: 604-687-4460 F: 604-683-5214 dentons.com/vancouver	John Sandrelli , managing partner	Real estate, infrastructure/construction, corporate, litigation, restructuring/insolvency	2013 ²	119/ 106	37 5 31	74/ 72
13	Boughton Law Corp 595 Burrard St Suite 700, Vancouver V7X 1S8 P: 604-687-6789 F: 604-683-5317 boughtonlaw.com	Karen Justel, Jim Coady, Luca Citton , board members	Business, dispute resolution, personal, public sector	1949	67/ 66	20 18 20	58/ 56
14	McMillan LLP 1055 Georgia St W Suite 1500, Vancouver V6E 4N7 P: 604-689-9111 F: 604-685-7084 mcmillan.ca	Tom Theodorakis , office management partner	Capital markets, mergers and acquisitions, litigation, commercial real estate transactions, restructuring and financial services	1904	98/ 102	28 12 15	55/ 68
14	Singleton Urquhart Reynolds Vogel LLP 925 Georgia St W Suite 1200, Vancouver V6C 3L2 P: 604-682-7474 F: 604-682-1283 singleton.com	John Singleton , managing partner	Construction and infrastructure law. Provides extensive range of legal services in the fields of commercial litigation, professional liability, product liability, corporate commercial law, commercial real estate, workplace law and business immigration, along with other, more specialized areas of focus	1982	87/ 81	17 8 30	55/ 55
16	Harris & Co LLP 550 Burrard St Suite 1400, Vancouver V6C 2B5 P: 604-684-6633 F: 604-684-6632 harrisco.com	Lindsie Thomson , managing partner	Labour and employment law, human rights, workers' compensation/occupational health and safety, commercial litigation, education law, administrative law	1992	45/ NP	29 4 14	47/ 44
17	Richards Buell Sutton LLP 401 Georgia St W Suite 700, Vancouver V6B 5A1 P: 604-682-3664 F: 604-688-3830 rbs.ca	Jeffrey Lowe , managing partner	Advanced education and research, business transactions, commercial real estate, litigation, wealth preservation	1871	78/ 85	20 3 22	45/ 43
18	Stikeman Elliott LLP 666 Burrard St Suite 1700, Vancouver V6C 2X8 P: 604-631-1300 F: 604-681-1825 stikeman.com	Richard Jackson , managing partner	Mergers and acquisitions, corporate finance, public-private partnerships, real estate and business litigation	1988 (Vancouver office)	84/ 62	16 7 21	44/ 44
19	Bennett Jones LLP 666 Burrard St Suite 2500, Vancouver V6C 2X8 P: 604-891-7500 F: 604-891-5100 bennettjones.com	Radha Curpen , Vancouver managing partner	Business law, litigation, regulatory and tax with focus in energy, mining, finance, tech and real estate	1922	52/ 54	22 2 18	42/ 43
20	Roper Greyell LLP 745 Thurlow St Suite 1850, Vancouver V6E 0C5 P: 604-806-0922 F: 604-806-0933 ropergreyell.com	Delayne Sartison Q.C., Gavin Marshall , managing partners	Employment, labour, human rights, health and safety, investigations, privacy and freedom of information	2006	34/ NP	22 0 19	41/ NP

Sources: Interviews with above law firms and BIV research. Other firms may have ranked but did not respond to information requests by deadline. NP Not provided 1- Year firm was founded in the U.K.; merged with Bull Housser & Tupper, whose Vancouver office opened in 1890, on January 1, 2017 2 - Closure date of merger among SNR Denton, Fraser Milner Casgrain and Salans

Business in Vancouver makes every attempt to publish accurate information in the List, but accuracy cannot be guaranteed. Researched by Anna Liczmanska, lists@biv.com.

Next week's list – Biggest hotels in Metro Vancouver



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Largest Metro law firms increase lawyers, staff

ANALYSIS | Average number of employees at top Metro Vancouver firms has grown 6.4% since 2016

BY ALBERT VAN SANTVOORT
AVANSANTVOORT@BIV.COM

The region's biggest law firms are expanding, according to data collected on *Business in Vancouver's* Biggest Law Firms in Metro Vancouver list (page 12).

The average number of lawyers at the top 20 firms increased 9.2% to 81 in 2020, up from 74.2

in 2016.

The growth in the median number of lawyers at the top 20 firms outpaced the average growth, increasing 14.1% to 81 in 2020, up from 71 in 2016. This suggests that smaller firms lower on the list grew faster than their larger counterparts.

The data also finds that smaller law firms beat the larger firms in increasing both their number

of lawyers and their overall staff.

Average staff numbers at the top 20 firms grew 6.4% to 194.2 in 2020, up from 182.4 in 2016. Median staff, however, soared by 16.6% to 197 in 2020, up from 169 in 2016.

No. 10 **Harper Grey LLP** recorded the largest one-year increase in lawyers, up 17.4% to 81 in 2020 from 69 in 2019.

No. 18 **Stikeman Elliott LLP** had the largest one-year increase in B.C. employees. Its staff grew 20.8% to 128 in 2020 compared with 106 in 2019, while having no increase in the number of lawyers it employs.

Of the top five law firms, No. 3 **Lawson Lundell LLP** had the largest five-year growth in both staff and lawyers. Its number of local lawyers increased 36.3% to

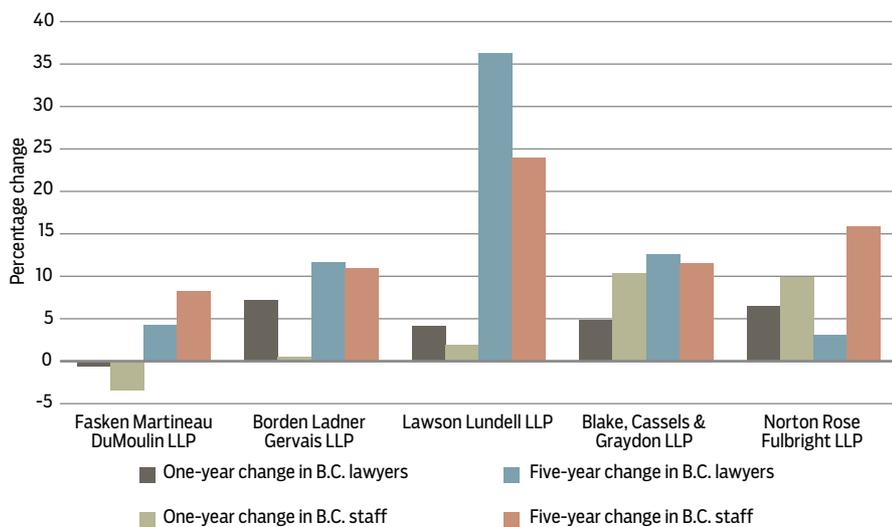
124 in 2020, up from 91 in 2016. Lawson's staff rose 24% to 269 in 2020, up from 217 in 2016.

Most law firms on *BIV's* list reported similar staff-to-lawyer ratios, with the average being 1.5 staff per lawyer.

Stikeman Elliot LLP has the highest number of staff per lawyer (1.91), while No. 4 **Blake, Cassels & Graydon LLP** had the lowest ratio (0.9). ■

Change in the number of lawyers and staff at Metro Vancouver's largest law firms

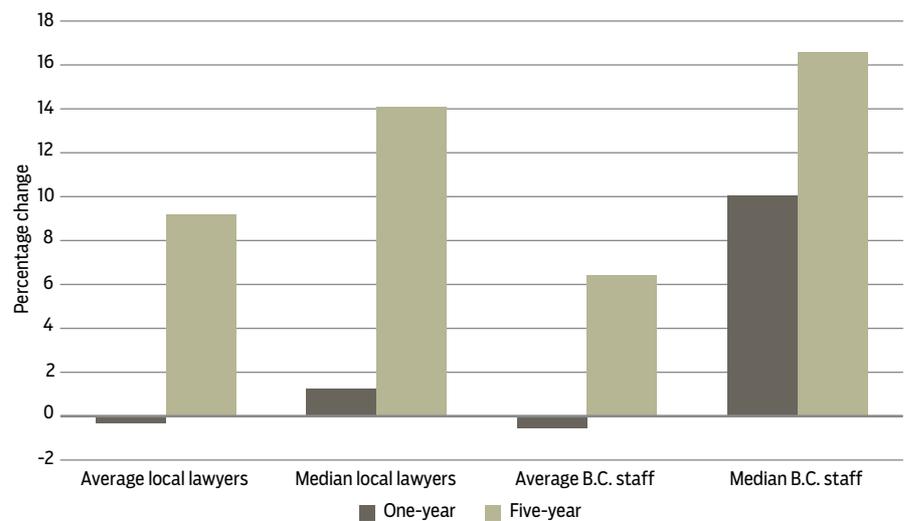
Lawson Lundell LLP has increased its number of lawyers by 36.3% since 2016



SOURCE: BIV LIST

Smaller law firms growing faster than larger ones

Average number of lawyers at top B.C. law firms increased 9.2% since 2016



SOURCE: BIV LIST



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New legal terrain awaits businesses ready to reopen their offices



PODIUM

GAVIN MARSHALL

In case the COVID-19 health pandemic and ensuing economic catastrophe have not created enough additional stress and risk for B.C. businesses, many employers now face the prospect of cautiously restarting operations in offices that have been empty for months.

Return to the “new normal” occurs within the context of occupational health and safety (OHS) law that is largely unfamiliar to employers in an office environment, where hazards have previously been limited to, say, paper cuts and ergonomic irregularities.

No more. COVID-19 is an unusual threat to workplace safety, because it is invisible and does not originate from anything inherent in the nature of a workplace process. Nevertheless, as many are coming to understand, employers have a responsibility to manage all risks that are reasonably foreseeable in the workplaces

they operate, by eliminating, mitigating or managing them.

This responsibility flows from “general duty” in workers’ compensation law. The general duty requires that an employer must ensure the health and safety of all workers of the employer, as well as any other worker present at the employer’s workplace. It is a broad and onerous responsibility that imposes significant burdens on employers when restarting their operations. This is especially true in offices because of the proximity in which teams work together.

In discharging this “general duty,” employers are not measured against a standard of perfection, but of “due diligence,” which means that an employer must take all reasonable steps to manage foreseeable risks.

Exercising due diligence and conducting hazard assessments is a common activity for employers in industrial environments, the sectors where dangerous equipment, machinery and processes are concentrated. Less so in an office.

In the world of COVID-19, the health risk profile of the average office has changed. It is the legal responsibility of employers to take those reasonable steps to discharge due diligence.

Fortunately, there is a growing body of practical guidance

Filing cabinets are often graveyards where human resources policies go to die. This one cannot. If it does, someone might

from both B.C.’s public health authorities and WorkSafeBC on how to keep office workplaces safe. That guidance is still developing. For example, in the week of May 18, WorkSafeBC published new reopening guidance for some specific kinds of businesses, and the federal public health officer, Dr. **Theresa Tam**, revised her recommendation around the use of masks. We can expect further adjustments as science chases the virus, but the essential elements are getting clearer.

The first thing an employer who assumes responsibility for reopening an office should do is find the materials applicable to their workplace and read them.

The second thing to do is build a special health and safety team together. Base it on expertise, interest, availability, willingness, judgment, as well as special insights each member might bring.

Third, think about the knowledge you have developed. The

resources mentioned above are a solid source. Think about staging your restart in phases. Can you schedule people whose work space allows them to isolate more easily, differently from those who cannot? Can you move some people within your office for the time being to allow for better social distancing? Does it make sense to limit client, customer or supplier visits or subject those visits to greater control for the time being? Do we require masks to be worn? If so, where and when? The above just scratches the surface of strategies employers might consider.

Fourth, write your plan down. Distribute it to your people. Make a show of the fact that you have considered the health issues on restarting and have confidence in the measures you are taking.

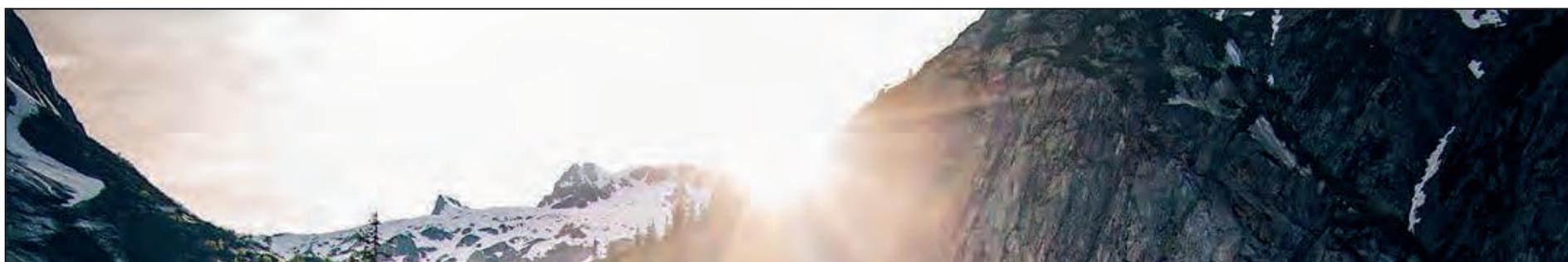
Fifth, execute on the plan. While recognizing that the measures we all have to live with during the pandemic are temporary, and therefore they will inevitably adapt over time, it is dangerous to your organization to do all the work of building a safe restart plan, and then allow people to ignore it. Filing cabinets are often graveyards where human resources policies go to die. This one cannot. If it does, someone might.

Finally, be practical. The health and safety legal principle of due diligence directs the standard you must meet, but not exactly how to get there. The recent guidance from public health and safety regulators helps. But nobody is expecting employers to become epidemiologists. And remember, the new rules of social interaction are counter-intuitive. In dealing with folks who might forget the plan, or be neglectful, be kind. Remind. That is what a WorkSafeBC officer typically does when a business misses the mark or does not have the expertise. Safety is the goal, compliance is the means. Enforcement is the exception, not the rule.

Overall, restarting office operations in the world of COVID-19 requires business leaders to strike a balance between deference to science, the priority of safety, creation of viable rules, pragmatism, and an acknowledgement that work in the era of COVID-19, like politics, will be for the foreseeable future, the art of the possible. ■

The article is for general information purposes only and does not constitute legal advice.

Gavin Marshall is a partner at Roper Greyell LLP, where he practises labour, employment and workplace human rights law.




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THE OFFICIAL PUBLICATION OF THE GREATER VANCOUVER BOARD OF TRADE AND ITS MEMBERS | JUNE 2020 | VOLUME 60 / ISSUE 6 | BOARDOFTRADE.COM

New diversity and scale-up programs launched

EVOLUTION | Supporting inclusive growth throughout Greater Vancouver

The Scale-up Business Centre for SMEs (SBC)

Since the Board of Trade's inception in 1887, we have focused on growing the economy, supporting entrepreneurs and enterprises throughout the region, country, and internationally. This spirit was behind the Board of Trade's efforts to re-launch the World Trade Centre Vancouver (WTC-V) in 2017. Since then, the WTC-V has supported over 200 companies to grow their export revenues by an average of 28 per cent reaching 44 new markets.

As SMEs address challenges due to the global pandemic's economic impact, they need access to resources and information to help their businesses survive this crisis and position for future growth. While the WTC-V has helped small businesses grow their exports, there are still many challenges in assisting local



ISTOCK/DEAGREEZ

companies to develop.

Research from World Trade Centre Toronto's *Defying Gravity* expert report suggests that few small Canadian firms become either mid-sized or large. However, according to the Government of Canada, high-growth firms, just four per cent of businesses, create 45 per cent of the

net new jobs.

Building off the WTC-V success, the Board of Trade is launching the Scale-up Business Centre for SMEs. The SBC will provide a series of curated program offerings to help high-potential firms from various sectors overcome barriers to continued growth and elevate their growth trajectories.

The Diversity and Inclusion Leadership Council (DLC)

Recent events in B.C., the U.S., and around the globe have shown that the fight for an equal and inclusive society is not over. The Board of Trade has worked to continuously champion, unite and advocate for a diverse business community. The Diversity and Inclusion Leadership Council will focus on addressing issues of diversity, equity, and inclusion to encourage allyship and enhance business innovation. McKinsey's report on diversity in the workplace, *Diversity Matters*, suggests that diverse companies outperform industry norms by 35 percent. A diverse and collective approach ultimately supports the business bottom line.

This Council will hold events, offer programs and initiatives that continuously reflect and encourage this mandate while

also presenting sponsorship opportunities for companies that are advocates or champions of diversity and inclusion. As we work to broaden the program, we will continue our efforts to support women's advancement in business.

"In these unprecedented times, we are confident these programs will positively impact our community. Supporting local high-potential firms from various industries to scale-up and championing diversity and inclusion will help ensure Greater Vancouver can thrive in the future and be the best place to live and do business," says Bridgitte Anderson, President and CEO of the Greater Vancouver Board of Trade.

Both programs will launch in August 2020. **SB**

Learn more at boardoftrade.com/programs

Regional transportation in focus at virtual forum

TRANSPORTATION | Importance of infrastructure highlighted by thought leaders and new survey

To an audience of nearly 500, the Greater Vancouver Board of Trade hosted its annual Transportation Forum presented by Deloitte. This inaugural virtual forum provided attendees with an interactive and engaging platform to participate in important discussions with thought leaders as well as federal and provincial ministers.

Underpinning the forum

discussions were the findings from the recently released survey done in partnership with Mustel Group's Omnibus survey. In a worrying trend for congestion, 36 per cent of respondents plan to increase use of their car or car ownership, while 34 per cent plan to decrease transit use because of COVID-19. Positively, 32 per cent plan to increase active transportation modes. Finally, survey

respondents indicated that the availability of funding for new transportation infrastructure (65%) was most likely to impact our region's mobility, emphasizing the need to prioritize regional transportation projects during economic recovery.

While addressing the impacts of COVID-19 on our infrastructure and transportation networks, the forum opened with an eye towards the future. Futurist Scott



Corwin, Deloitte's Global Leader of its Future of Mobility Practice, provided insights around what the future of mobility could look

like, how mobility, technology and COVID-19 are shaping our region and transportation systems, and the implications of data and privacy trends. The following days of the forum continued to explore how national transportation leaders are navigating current challenges, how to build resiliency in our gateway sector, and what recovery looks like for our regional mobility networks. **SB**



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ECONOMY | How Air Canada provides vital global supply links to keep world economies moving

Air Canada making adjustments to keep goods moving

The global airline industry faced a severe drop in traffic and demand when the coronavirus (COVID-19) outbreak caused many countries around the world, including Canada and the U.S., to impose travel restrictions. Air Canada's passenger service was reduced by 90 per cent as a result of this unprecedented impact.

While demand for passenger travel fell, demand for air cargo was sustained as urgent goods are transported via air.

Air Canada's freight division, Air Canada Cargo, sells space in the belly of passenger aircraft to businesses that need to move time-sensitive shipments. Goods transported typically include fresh food like B.C. seafood and produce such as vegetables, mushrooms, Okanagan fruit, plus honeybees, pharmaceuticals, automotive parts, electronics, and other consumer goods.

To meet the global spike in demand for air cargo including urgent requirements for transporting personal protective equipment (PPE) including face

masks and other supplies for front-line medical responders, Air Canada Cargo introduced cargo-only flights on international routes, operated with Air Canada's widebody aircraft but without any passengers, beginning in mid-March.

"We have risen to the COVID-19 challenges by finding solutions and maximizing the resources available to us. Since launching our scheduled and on-demand programs, we have operated approximately 1,000 cargo-only flights with the airline's widebody fleet," said Tim Strauss, Vice President – Cargo at Air Canada.

Air Canada subsequently leveraged its aircraft assets by quickly transforming some of its largest aircraft, four Boeing 777-300ERs and three A330-300s to transport cargo in the passenger cabin by removing up to 422 seats and installing nets. These aircraft can handle twice their regular cargo volume capacity, and their cabins are suited to loading lightweight items like PPE and mail.



Air Canada's cargo plane crew

As part of Air Canada's ongoing effort to move freight in regional markets and First Nations communities, Air Canada Express partner Jazz Aviation recently converted Dash 8-400 aircraft to carry cargo in the passenger cabin.

Air Canada is currently operating 20 international cargo-only flights daily between Canada and points in Asia, Europe, Israel, South America, South Pacific, transporting vital medical supplies, pharmaceuticals, electronics, machinery, technical parts, chilled meat destined for Canadian supermarkets, flowers and more.

The nimble transformation of aircraft assets together with its global expertise and an

integrated, intermodal ground transport network and innovative solutions via a partnership with Drone Delivery Canada means Air Canada and Air Canada Cargo can be counted on during extraordinary times to serve as a vital link in global supply chains and help keep the domestic and world economy moving.

Air Canada Cargo has created five, segment-specific sales teams. Enquiries from shippers interested in Air Canada Cargo's services may be sent to a special freighter email address that is monitored around the clock: AC.freighter@aircanada.ca. Additional information is at: www.aircanada.com/cargo/en/.

To facilitate essential travel

for passengers, Air Canada has maintained service to key airports across Canada including five airports in BC, and to international markets. Ongoing scheduled flights are planned to increase throughout BC, across Canada and internationally beginning in June. For more details, please visit www.aircanada.com/readyfortakeoff.

Importantly, to ensure customers can fly with confidence, Air Canada has already implemented CleanCare+, an industry-leading program that includes leading biosecurity standards and a series of preventive measures that work together in a multi-layered, practical approach to keep everyone safe onboard. **SB**

TRANSFORMATION | Going digital is a great solution – Design Sprints are the roadmap that can help you get there

A proven system to help improve your businesses digital strategy

BY MARINA BERTOLDI

Innovation is often considered a luxury – something to do when we have time and money. Digital reinvention is often even harder to do, postponed until absolutely necessary. But one of the many painful lessons we have learned from the generational crisis that is the COVID-19 pandemic, is that transforming into a digital business may often be THE solution to keep your business alive.

But what are the actual steps you need to follow to achieve this transformation? You need an approach to follow, a roadmap for success. The good news is that data-driven, proven techniques are available to prevent pitfalls as you embark on change.

Take the Design Sprint methodology, for example – an approach started inside Google and since adopted successfully throughout Silicon Valley. Every

time those companies have undertaken a major digital reinvention or created a new product or service, they likely started with a Design Sprint.

Design Sprints use a combination of gold-standard approaches to project management, business strategy and human behaviour learnings into one system to help innovators develop better products and solve problems faster (which means cheaper). It takes the traditional model of digital design, for example, and changes the approach to ensure the new design both gets approved but also works for customers.

How? Design Sprints use a step-by-step system to bring your team together to solve large problems strategically without endless discussions. Within four days, a team can go from vague ideas about how to move from off-line to online sales, to a clear line of sight to a solution, and even develop a high-fidelity prototype that can



Marina Bertoldi

be tested with customers.

There is no place where this is more important than when organizations, during COVID-19 or other times, take the plunge and adapt technology and digital solutions – be they for in house use like #WFH or customer facing like sales.

Design Sprints save money because you talk with your users and validate your concept before jumping into the real (and costly) back end design, and coding/development work. And Design Sprints can lower the stress and friction of a project, so key

Transforming into a digital business may often be the solution to keep your business alive



during this pandemic, when the thought of major change like reinventing a company as a digital solution may feel overwhelming. The Design Sprint path forward avoids the often painful and futile brainstorming, endless meetings and email chains. Instead, decisions are made rapidly using structured, outcome-based

workshops that engineer better decision making, team alignment and efficiency.

The good news is that the Design Sprint approach has already been proven effective by companies such as Google, Uber, LEGO, Airbnb and Microsoft. Remax in Seattle just went to an online workplace using a Design Sprint – something that was always wanted, but the urgency of COVID-19 demanded it be achieved immediately. And it was.

If you are a company that has to evolve quickly to create digital solutions or be more online than off in your interactions, the Design Sprint approach can help you pivot and innovate in a way that is easier, cheaper, better and faster. It won't be a silver bullet, but in these times of uncertainty, as the saying goes, Design Sprints can provide a more focused and proven approach to going digital than just hope. **SB**

Marina Bertoldi is the Co-Founder of Time Factory Studio, and a certified Design Sprint practitioner and a graduate of the UBC/SFU/Emily Carr Masters in Digital Arts.

Over-assisted and underemployed

Getting the balance right in the federal government's lockdown bailout funding is critical to the country's economic survival. The question arising now is how much is too much after Justin Trudeau's minority Liberal government had by early April already earmarked \$260 billion in income support, deferred payments, loans and guarantees to help the country's businesses and workers remain solvent in the COVID-19 crisis.

FOR GOVERNMENT,
GIVING MONEY
AWAY IS EASY;
KNOWING WHEN
TO STOP IS NOT

Farmers in B.C. and elsewhere across the country might be arguing now it has become too much in the form of the Canada Emergency Response Benefit (CERB) and other assistance. Too much because, with their harvest season looming on the horizon, those farmers cannot find the workers needed in an underemployed land to bring in the crops upon which their livelihoods and the

province's food chain depends.

That food chain will be under growing pressure to deliver the variety and abundance British Columbians have come to expect because cargo from outside the province will be facing more supply chain challenges from a host of larger issues.

For example, container carriers and airlines are grappling now with the domino effects from the widespread shutdowns of global economies in the first half of 2020. They have their own operational issues to address to remain afloat. Most will have to reduce cargo capacity; some will sink in bankruptcy.

Canada's prime minister, meanwhile, has spent much of 2020 distributing current and future taxpayer dollars to an ever-expanding circle of companies and workers in the face of the COVID-19 pandemic.

Much of that initial distribution has been needed to keep the country's economy and its workforce from unravelling.

But for government, giving money away is easy; knowing when to stop is not.

If too readily available for too long, CERB or other assistance can shift from survival benefits to work disincentives. Just ask a farmer struggling to find workers willing to forgo government financial assistance to help him harvest his crop.

LAST LAUGH



China and U.S. are huge hurdles for Canada's COVID-19 comeback



PODIUM

KIRK LAPOINTE

It's metaphor time: The climbing vine has been pruned. What to do now about the unruly garden?

Huawei's colossal Canadian crash last week was extraordinary. Within hours, the two Canadian telecommunication companies that had so vouched and argued and defended and lobbied for China's prized 5G purveyor to be permitted to provide its infrastructure basically divorced and ghosted the firm.

First up was Bell Media with the stunning announcement that it had decided Huawei, after years of foofaraw, was not in fact the choice. Journalists were stunned and about to get the

isolated Huawei ally Telus on the line for reaction (Rogers had long since selected Ericsson and Nokia) when it, too, switched sides and swore new allegiance.

It gave Meng Wanzhou, the Huawei CFO secluded and stymied in Shaughnessy to fight extradition, another reason to really want to leave Canada. My theory is that she will be able to, that America will relent on an excessively personal prosecution. The U.S. will be appeased now that Canadian 5G will not be Huawei's. If it hadn't much earlier, it most likely made clear that continental technological entanglement – roaming services, cross-border networks, the internet of things and the like – was not going to happen with its co-operation if Huawei were in the game. Far from it: Donald Trump, or whoever's administration it might be, was going to build another version of its wall, and we would be on the other cyberside of it.

With that crawling vine attended, the bigger step for our government is to acknowledge

it has no particular relationship to satisfy but some particular relationship to build with our second-largest trading partner. We are not on China's global radar. We barely rate, except as a through-point to America.

The larger challenge for our government is how to brook the two most powerful countries sandwiching, squeezing, enervating, vice-gripping us. We cannot bow deeply enough, it seems, and we have to as a much more minor player.

America got its way with Huawei. Battle won, war still to decide. China has much more where that came from, and we can only imagine what retribution or disruption the fruitless quest for alternative supply chains could inflict. We willingly, happily, greedily built a dependence on convenient, acceptable, affordable imports. Prove me wrong, but it is hard to fathom how the Walmart customer of today's \$7.99 t-shirt will accept the \$14.99 one made on this continent.

Besides, we may have vilified

Huawei, conveniently forgetful of other countries accused of and even proven to have unduly extended industrial reach, but China is not a one-trick pony. It can turn off taps for the thirsty, leave ships in port that should be sailing to our shores and deal with the political consequences of economic setback in ways we would not. It does disruption better; it is not agonizing over issues like 10 days of paid sick leave.

When Justin Trudeau swallowed his words for 21 seconds last week as a silent statement on America, he of course would have known that next day Bell and Telus would capitulate to their telco counterparts south of the border if their businesses were not to stagger. He, too, had to genuflect – only, unlike the two firms, he hasn't got a practical, viable alternative.

He made the mistake that China was open to western values and practices. He assumed it would embrace inclusivity, environmentalism, human rights and the rule of law, rather

than just deal with us summarily as a market and trader and nothing much more. Props for trying, but his hubris that the world was into sunny ways was way off.

Now what for this garden of weeds, blight and shade?

The pandemic has prompted a rethink writ large. Some of us are suddenly realizing we like people. Many of us have forgotten about sports TV. A few of us are pondering larger questions.

For Trudeau and his government, this is an opportunity for a reboot. It has to be sufficiently steeled for second-term Trump and long-term Xi Jinping strategies as the most harrowing scenarios; any other outcome would then be like found money.

He got off the hook for a 5G vendor decision he did not need to make, thanks to the telco titans, but larger questions linger. ■

Kirk LaPointe is the publisher and editor-in-chief of *Business in Vancouver* and the vice-president, editorial, of Glacier Media.

How the pandemic has changed what's on Canada's menu



PODIUM

MARIO CANSECO

One of the first aspects of our lives that the COVID-19 pandemic affected is what we eat. Canadians were told to stay at home as much as possible, minimize trips to grocery stores, sanitize everything and adapt how they prepare meals in their household. With 40% of Canadians saying in April that they were not ordering food from restaurants because of a fear of infection, figuring out what to make every night presented a new challenge.

Research Co. and Glacier Media asked Canadians about what they are eating, how long it takes for them to make dinner and whether the isolation of the lockdown has forced them to reach for ampler clothes inside their closets.

Earlier this year, the federal government updated Canada's Food Guide, a document that proposes ways for residents to achieve a healthy diet. Across

the country, two-thirds of Canadians (66%) say they are "very familiar" or "moderately familiar" with Canada's Food Guide, a proportion that jumps to 75% among women.

This high level of familiarity would suggest that Canadians are following the government's recommended guidelines. But, as is often observed with bylaws related to bike helmets, pet waste or alcohol in parks, they are not being followed intently. Only 41% of Canadians say they follow the recommendations of Canada's Food Guide "all the time" or "most of the time."

Canadians who have decided to discard specific foods from their diet (such as vegans, vegetarians and pescatarians) are more likely to abide by the recommendations of the guide (62%) than those who can be described as omnivores (37%).

Nobody should attempt to blame younger generations for the demise of government-endorsed nutritional habits. Canadians aged 55 and over are the most likely to say they "never" follow the recommendations of Canada's Food Guide (35%). The proportion of rejecters is lower among those aged 35 to 54 (28%) and those aged 18 to 34 (22%).

Aside from the fact that many

Practically one in four Canadians (24%) say they are eating more fruits and vegetables than before the pandemic began, a proportion that includes three in 10 of those aged 18 to 34

Canadians are not following the guide, there are some shifts in what we are consuming during the pandemic. One in five Canadians (19%) report eating less fish and shellfish, and a slightly smaller proportion (15%) are eating less meat. In contrast, similar proportions of Canadians are adding more legumes (14%) and poultry (13%) to their diets.

Practically one in four Canadians (24%) say they are eating more fruits and vegetables than before the pandemic began, a proportion that includes three in 10 of those aged 18 to 34.

For the past several weeks, social media posts have been overloaded with pictures of people baking. Ingredients such as flour and yeast were in short supply at one point, and

conversations that included the phrase "sourdough starter" multiplied. In our survey, one in five Canadians (21%) say they are baking bread more often at home, and three in 10 (29%) are baking more cookies and cakes than before the pandemic began.

Once again, millennials are leading the way, with 30% of Canadians aged 18 to 34 baking bread more and 39% indulging more often in homemade desserts.

In July 2019, we looked at how much time Canadians spent making dinner on an average weeknight. At the time, 30% of residents said they were done in less than 30 minutes, 60% devoted 31 to 60 minutes to prepare a meal and 10% took more than an hour to make dinner.

With fewer Canadians commuting and many working from home because of the pandemic, we could assume that more time would be spent learning about ingredients and partaking in more challenging recipes. This is not the case. The proportion of Canadians who prepare dinner on a weekday in less than half an hour increased by six points to 36%, and those who spend more than an hour are down slightly to 8%.

The final question looked at the effect of the lockdown on

our waistlines. Just over three in 10 Canadians (31%) confide that they have gained weight during the pandemic, while a majority (52%) report no change and 14% say they have lost weight.

Women (33%) and Canadians aged 18 to 34 (36%) are more likely to acknowledge that they have gained weight recently. Regionally, the numbers are highest in British Columbia (33%) and lowest in Ontario (29%).

The pandemic has showed some fluctuations in the behaviour of Canadians when it comes to food. While familiarity with Canada's Food Guide is high, not many Canadians are looking at it when designing their meals. Even after spending all day at home, few Canadians are staying in the kitchen for more than one hour. ■

Mario Canseco is the president of Research Co.

Results are based on an online study conducted from June 1 to June 3 among 1,000 adults in Canada. The data has been statistically weighted according to Canadian census figures for age, gender and region in Canada. The margin of error – which measures sample variability – is plus or minus 3.1 percentage points, 19 times out of 20.

Provinces need to manage debt by controlling Crown projects



PODIUM

EAMONN BROSINAN

The province of Newfoundland and Labrador is staring bankruptcy in the eye, according to recent news reports.

There are a variety of reasons, which are typical for provincial politics. Politicians hate to cut services, love to cut taxes and hate to increase taxes because voters react to all of those things.

Newfoundland has a few disadvantages that make running a government challenging.

With 521,542 people over 405,212 square kilometres, that's easily the lowest population density among Canada's provinces. That makes delivering education, transportation and other services more expensive.

With only seven members of Parliament, the province has little influence when it comes time for negotiations on the

national scale.

Historically, the province relied on a single industry – fishing – and that collapsed nearly 30 years ago, leading to decade-long historic unemployment levels.

The province has since diversified. But now it receives a sizable portion of its revenue from the oil and gas industry. That leaves it susceptible to the wild swings of oil's boom and bust cycles.

These factors have combined to make Newfoundland's per capita provincial debt the highest of all of Canada's provinces.

Newfoundland has paid down some of its debt in the last decade and hasn't received net payments from the federal equalization program during that period.

However, a single source is threatening to push the province's finances over the brink. The ill-fated Muskrat Falls hydroelectricity project combined with a power link from Labrador to the island of Newfoundland have increased the province's liabilities by almost 50%.

These projects are under the control of Nalcor, Newfoundland's Crown energy corporation. It manages

Newfoundland's hydro projects, as well as the province's stake in its offshore oil industry.

The combined projects were initially estimated to cost \$6.2 billion. But ineptitude, inaccurate estimating and a lack of control have ballooned that to an estimated \$12.7 billion. The projects' estimated operating costs for the next 45 years appear to have increased as well.

This debt is beyond Nalcor's ability to finance from existing revenue. The alternative is to increase the cost of electricity to the average homeowner dramatically. Electricity costs could jump to \$0.78 from \$0.13 a kilowatt hour (kWh).

With the new funding framework in place, rates would only increase slightly – except that the funding framework has a \$4.8 billion gap that federal and provincial representatives have waved at, suggesting they would work it out in the details.

The province hopes the federal government can help with costs, even if the federal government isn't eager to commit more money to bailing out the province. If the gap doesn't get funded, households will see their rates first jump to an estimated \$0.23 per kWh from \$0.13.

Three other provinces are

dealing with severe cost overruns at large power projects: B.C.'s Site C dam, Manitoba's Keeyask dam and Ontario's nuclear reactor refurbishments.

In some situations, Crown power companies have been accruing substantial debt that has been kept off the government's books. That has allowed politicians to curry favour with voters by keeping electricity rates artificially low.

Other Crown power corporations have significant debt:

- BC Hydro (\$20 billion);
- SaskPower (\$7.2 billion);
- Manitoba Hydro (\$19 billion);
- Hydro-Quebec (\$45.8 billion); and
- NB Power (\$5.3 billion).

Crown corporations should be independent and free from political interference. But instead they've been abused by political leaders to boost re-election chances. That results in capital projects that make no fiscal sense, pricing that's too low to cover the costs of delivering the services and obfuscation of the books to hide the debt that we've accumulated.

The result?

Mammoth liabilities that put the fiscal stability of provincial governments at risk.

Should the federal government

come to Newfoundland's aid?

I can't see how the province can stabilize its books and grow without assistance. But advancing aid to Newfoundland will mean the federal government will have to deal with similar issues in other provinces.

Perhaps now is the time to review how provinces have handled their Crown corporations and institute review boards free of political interference.

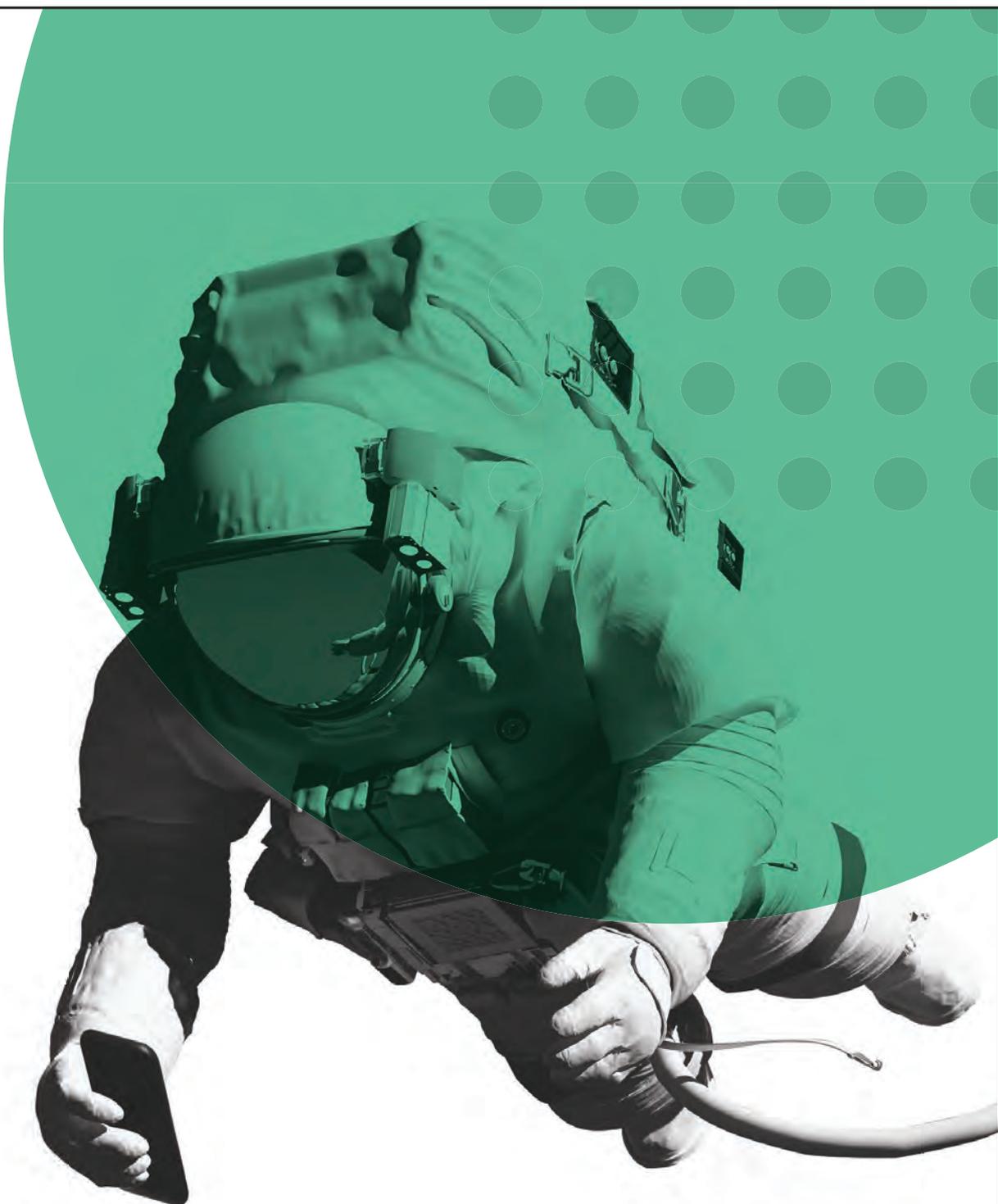
Should the federal government help stabilize provincial liabilities?

Not doing so risks higher servicing costs for public debt on already strained budgets. Provincial debt ratings are helped by the fact they're within the larger framework of a strong country. Stepping in and helping balance the books of provinces could help those governments become stronger and more prosperous, benefiting the entire country.

But this can happen only if the provinces can guarantee that the same mistakes won't be made again. And for that we need project review boards that operate independent of any party in power. ■

Eamonn Brosnan is a research associate with the Frontier Centre for Public Policy.

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