

August 19th, 2024

The Right Honourable Justin Trudeau
Prime Minister of Canada
House of Commons
Ottawa, Ontario
K1A 0A6
Delivered via email

Re: Business Community Concerns on Potential Rail Strike

Dear Prime Minister,

As the Canadian Global Cities Council (CGCC), we are a coalition of eight of Canada's largest urban Chambers of Commerce and Boards of Trade. As a voice for the private sector in cities across the country, the CGCC represents more than half of Canada's GDP and population. We are writing to express our deep concerns regarding the impending rail strike, scheduled to commence on Thursday, August 22, 2024, at Canada's major railway companies.

Our economic well-being is at risk if this stoppage should occur as currently planned. With 43,461¹ route-kilometers of track across the country, Canada's rail system is one of the most efficient, safe and cost-effective transportation systems in the world and pivotal to how our nation, and its economy, functions. Canada's rail system serves customers in almost every part of the Canadian economy, including agricultural, natural resources, wholesale, and the retail and manufacturing sectors. It is estimated goods valued at \$1.04 billion moves by rail every day in Canada, a total of \$380 billion per year.² In 2022, through a network of intermodal terminals, railways helped to deliver \$200 billion worth of Canadian exports to markets across North America and around the globe.

If this work stoppage occurs, there would be nationwide impacts on our national supply chains and knock-on effects for the economy at large. The consequences of this shutdown will be, quite simply, severe, echoing disruptions akin to those witnessed at the start of the pandemic and during the west coast port strikes during summer 2023. During these disruptions, businesses and families across Canada felt the impacts of delayed shipments and projects, rising costs fueling inflation, and even lay-offs. Our nation's supply chains are only just beginning to recover from these challenges, yet not stand on the precipice of yet another crisis.

Last summer's port strike on Canada's west coast ports disrupted an estimated \$10.7 billion of cargo and serves as a stark reminder of the cascading economic consequences of labour disputes within critical transportation infrastructure. Nearly 50 per cent of surveyed transportation leaders believe the reputation of Western Canada's supply chains has declined in the past 12 months, with persistent concerns about disrupted rail service due to blockades.³ As a mission-critical link in Canada's supply chain, the Port of Montreal supports 589,364 jobs and generates \$93.5 billion in economic activity through its service users. Further east, the Port of Halifax's generated \$4.87 billion in economic output

¹ <https://tc.canada.ca/en/corporate-services/transparency/corporate-management-reporting/transportation-canada-annual-reports/transportation-canada-2022/key-traffic-volume-statistics-1>

² <https://www.railcan.ca/supply-chains/#:~:text=Canadian%20railways%20move%20half%20of,in%20other%20modes%20have%20ballooned.>

³ https://www.westac.com/application/files/8817/0727/1688/Compass_Report_2024.pdf

in 2022, generating spin-off impacts of \$2.5 billion in GDP, \$1.6 billion in labour income and over 23,000 jobs. Canada is trading nation and Canadian businesses need stability in our supply networks. According to Statistics Canada, businesses remain concerned regarding their ability to procure goods critical to the running of their businesses and a nationwide rail strike would far surpass these previous disruptions.

Much of our nation's trade, as well as essential goods vital to everyday life, rely heavily on our vast rail transportation. From coast to coast, Canada's railways serve as the lifeblood of our economy, facilitating the movement of goods essential to both domestic and international commerce. Any interruption to this vital artery threatens to destabilize not only our economy but also our global reputation as a reliable trading partner. Companies are already diverting cargo from Canada and making plans to divert away from Canada based on the possibility of a work stoppage.

We urge the federal government to show decisive leadership in averting the catastrophic consequences of a rail work stoppage. While we respect the right to collective bargaining, Canada's economy and supply chains simply cannot afford to face the consequences of a rail strike. We call on the federal government to use every possible measure to avoid a strike and support a resolution to this serious economic issue.

Sincerely,



Bridgitte Anderson
President and CEO



Loren Remillard
President and CEO



Doug Griffiths
President and CEO



Deborah Yedlin
President and CEO



Patrick Sullivan
President and CEO



Giles Gherson
President and CEO



Sueling Ching
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Michel Leblanc
President and CEO

Copies to:

The Honourable Chrystia Freeland, Deputy Prime Minister & Minister of Finance

The Honourable Seamus O'Regan, Minister of Labour and Seniors

The Honourable Pablo Rodriguez, Minister of Transport

The Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry