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Canadian Rail Strike is in Effect

In a series we have been reporting for several months in regards to the negotiations between the Teamsters Canada Rail Conference (TCRC) with both the Canadian Pacific Kansas City (CPKC) and the Canadian National Railway (CN), August 22nd was the date targeted for an official strike after all formalities were taken. This comes after the conclusion of a review conducted by the Canada Industrial Relations Board (CIRB) and final determination by the Canadian government. The initial threat by the TCRC to strike back on May 22nd has been pushed out multiple times, as the Canadian Minister of Labor requested that the CIRB do an assessment to determine if a strike could impact public health and safety. Analysts have cited that any work stoppage, impacting over 9000 railroad workers, could have an impact of \$1 billion in goods being transported by rail per day and that the workers are deemed essential. With the conclusion of the review, announced on August 9th, confirming there is no impact to public health and safety, the TCRC needed to adhere to a final cooling off period and then provide a 72-hour notice to strike, which was formally done earlier this week. As of 12:01 a.m. today, there was no common ground between the TCRC, the CPKC and CN, and while the parties have vowed to continue negotiating, it has been reported that talks remain deadlocked on the key issues. After embargos had been implemented by both the CPKC and CN to avoid movement of hazardous goods, perishables, and security sensitive cargo in recent days, the strike is now official and challenges will now begin to have direct impact on both Canada and U.S. supply chains.

Ocean carriers had already been enforcing contingency plans in advance to this as we had earlier reported. As a result, the ports of Tacoma and Seattle are experiencing rising congestion as cargo moving to USA inland destinations by rail will be delayed by up to 14 days, as containers continue to be rerouted through U.S. West Coast ports in order to avoid Vancouver and Prince Rupert routings.

Congestion is expected to mount and it is unknown as to how long any work stoppage might last after failed attempts to avert a job action.

We would like to remind our audience that we do have a transload program in place at both Los Angeles/Long Beach and Seattle/ Tacoma ports to inland destinations across the USA. Please do not hesitate to contact us or your account manager for further details, should this need arise.

With market volatility and unforeseen developments, we remind our community to plan and book in advance, anticipate delays, and be prepared for disruptions. Should you have any further questions or concerns, please contact your account manager or local handling office for assistance.

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