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Canadian Government Orders End to Railroad Lockouts by CN and CPKC, but Teamsters Counter with a New Strike Threat for Monday

Just 17 hours after the lockout of more than 9000 railroad workers, the Canadian Minister of Labor utilized Canada's labor code and ordered binding arbitration and an end by the two railroads lockout of the union workers. He announced that a third party will manage the arbitration between the Teamsters Canada Rail Conference (TCRC) and both the Canadian Pacific Kansas City (CPKC) and the Canadian National Railway (CN). The Canadian Minister again called on the Canada Industrial Relations Board (CIRB) for assistance. The CIRB, already familiar with the strained negotiations, is the same party that was given the task by the Canadian Minister of Labor to do an assessment as to whether the initial threat to strike by the TCRC back in May, could impact public health and safety as well as determine if rail transportation was deemed as an essential service. The final review confirmed that rail transportation was not considered an essential service based on the Labor Code's definition and it was at that stage on August 9th, that the TCRC had moved forward on their continued threat to strike that had been delayed for several months and was targeted for the first possible date of August 22nd. The railroads had responded with their own threat to lockout the union workers if they remained at an impasse and had not come to an agreement by 12:01 a.m. August 22nd. The railroads locked out the workers and started the work stoppage and rail shutdown. Arbitration is now the expectation for resolution.

However, at 10:48 a.m. CST this morning, it was reported by Reuters that "Teamsters union files strike notice for CN workers starting Monday." The report suggests that the union is challenging the government's decision to end the lockout and that "conductors, locomotive engineers and other workers at Montreal-based CN would strike on Monday."

Shortly thereafter, it was reported by the Canadian Press that "Teamsters challenge minister's move to resume rail service as Canadian Pacific Kansas City (CPKC) lockout drags on" and that "the CPKC workers are still locked out as they are challenging a directive for binding arbitration"

While the news broke late yesterday that the Canadian Minister of Labor utilized Canada's labor code and ordered binding arbitration to stop the lockouts, there are additional challenges and now another 72-hour notice filed by the TCRC to have CN workers strike on Monday. It appears the situation is volatile and that matters are a bit more complex than initially reported, including confusion as to whether the work stoppage was a strike by the Teamsters or a lockout by the railroads, which has been further clarified as the ladder. Meetings will continue and at this stage, it appears there will be continued delays until the arbitration is sorted out.

As we have been previously reporting on this subject, this impact is not specific to Canada, but has significant impact to shipments moving by rail that will route to and from the USA and Canadian ports.

We will keep you posted as to any updates!

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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