

Enserva Member Brief

Labour Minister Orders Binding Arbitration

August 23, 2024

Overview

Just before 5:00 PM EST on Thursday, August 22nd, 2024, Canada's Minister of Labour, Steve MacKinnon, announced he would be invoking his authority through Section 107 of the Canada Labour Code to intervene in the ongoing labour dispute between the Teamsters union and the two major national railways, Canadian National Railway Co. and Canadian Pacific Kansas City Ltd. Invoking this power forces the three parties into binding arbitration.

Doing so will extend the terms of the current collective agreements, allowing for the resumption of CN and CPKC operations. It has been reported that it will take two days for rail operations to resume, though the timeline for full restoration of disrupted supply chains is unclear.

Enserva is glad to see the Minister recognizing the detrimental impact that the rail stoppage would have on the energy sector, the Canadian economy, and ultimately, all Canadians. However, the lead up to and the one day of lockout undoubtedly had a negative impact already.

Yesterday's step in action by the Federal Government marks a significant victory for Enserva and the collective efforts of industry associations nationwide to prevent economic fallout for the country.

We Continue to Monitor the Situation

Enserva will continue to monitor this situation and maintain close contact with government offices as the negotiating parties continue to work towards a solution. This morning, it was reported that Teamsters had taken down picket lines at Canadian National Railway, and workers would return to work today. The work stoppage remains ongoing at Canadian Pacific Kansas City, with the union considering challenging the constitutionality of MacKinnon's direction.

We sincerely hope all parties recognize the necessity of an expedited resolution.