



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA

ASSOCIATION CANADIENNE DE
L'INDUSTRIE DE LA CHIMIE

May 29, 2017

The Honourable Patty Hajdu, P.C., M.P.
Minister of Employment, Workforce Development and Labour
Employment and Social Development Canada
140 Promenade du Portage, Phase IV, 12 Floor
Gatineau, Quebec K1A 0J9

By email: hajdu.patty@hrsdc-rhdcc.gc.ca

Dear Minister Hajdu:

I am writing to you on behalf of the member-companies of the Chemistry Industry Association of Canada (CIAC) who are deeply concerned about the potential for strike activity and work stoppage at the Canadian National Railway (CN) that could begin as early as May 30, 2017.

A work stoppage would be extremely detrimental to the Canadian economy and to our member-companies who rely exclusively on rail to ship roughly 80 per cent of their production. In many cases, chemical plants are continuous operations that require reliable, uninterrupted rail service to produce and deliver essential products to customers. A typical large chemistry company can ship up to 60 cars per day. In the event of an interruption, they quickly run out of storage capacity to ship out products and incur shortages for incoming raw materials.

Chemistry in Canada is a \$53 billion industry as measured by annual sales and provides vital inputs to other key sectors including energy, housing, automobiles, pulp and paper and consumer products. When our plants cannot deliver product and are forced to reduce output, these areas of the economy are also impacted. There are health and safety implications as well, given that many municipalities rely on our member-companies to supply chemicals for essential services such as water treatment. Shutting down a chemical plant involves financial and safety risks and the impact on communities in terms of jobs can be significant (one job in the chemistry sector supports another five jobs elsewhere in the economy).

CIAC believes that a negotiated solution is always the preferred outcome, but if this fails, we request that you and your Cabinet colleagues consider the broad implications of a potential work stoppage and take early action to prevent serious damage to the Canadian economy.

CIAC has worked closely with government in previous strikes and provided information on the economic, community and critical supply chain impacts. Once again, we are ready to assist you and your Ministry at the earliest possible opportunity if negotiations fail. Please don't hesitate to contact me if you require further information or support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Bob Masterson', with a stylized flourish at the end.

Bob Masterson
President and CEO

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