



Canadian Propane Association
Association canadienne du propane

May 2, 2024

The Honourable Seamus O'Regan Jr.
Minister of Labour
Place du Portage Phase II
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Gatineau, Québec J8X 3X2

MinistrePT-LPMinister@labour-travail.gc.ca

Dear Minister,

On behalf of the 400 members of the Canadian Propane Association (CPA) across Canada, I am writing to you to express our members' concern regarding the possible disruption of scheduled rail transportation of propane should an impasse occur in negotiations between both CN and CPKC and the Teamsters Canada Rail Conference (TCRC).

As you are aware, railway transportation plays a crucial role in Canada's propane industry, supporting countless Canadians who rely on propane daily for their homes, businesses, farms, and fleets. This demand extends well beyond the winter heating season, highlighting the need for a continuous and reliable supply of propane to sustain these activities year-round.

The timely delivery of affordable and low-emission propane is essential to the health and safety of individuals across Canada, with community hospitals, senior facilities, food production, emergency measures services and schools depending on propane.

In the Maritimes, clothes manufacturer Stanfield's of Truro, NS depends on propane for its clothes production operations. Dairy producer Agropur uses propane to produce milk and cheese products in its Nova Scotia and New Brunswick facilities and Acadian Seaplants in Cornwallis, NS also uses propane for food production. Over 140 propane school buses in Halifax transport students safely to school. PEI Grain Elevator Corp. also relies on propane.

In Newfoundland and Labrador, the College of the North Atlantic and Memorial University campuses rely on propane. In Corner Brook, Allen's Fisheries uses propane in its operations.

Across Quebec and Ontario, community hospitals, seniors' facilities, schools and greenhouses all rely on propane. Examples include Les Jardins Vergibec in St-Joseph du Lac, Serres Oli-Eve Charbonneau of St-Eustache, and Serres Lefort in Ste-Clothilde.

In Ontario, many rural communities rely on propane as a clean and affordable energy source to heat their homes. For greenhouses in southern Ontario where natural gas supply can be limited, propane combined with oxygen is used to produce synthetic natural gas. This serves as a temporary substitute until natural gas volumes return to normal.

Across Western Canada, propane holds significant importance not only for crop drying but also for many essential applications as previously mentioned. A particular example in agriculture is the poultry barn. In the first two weeks of life, changing the temperature by even two degrees will lead to the demise of chicks. Propane energy is critical to stabilizing this precarious period of their lives.

Many communities, particularly those in remote areas, rely on propane for many of their services. This includes the hospital, schools and police fleet in Invermere, B.C., in the Kootenay River Valley.

Propane is often seen as an emergency's first responder. For instance, the B.C. government mandates 72 hours of backup energy – propane is the energy of choice providing critical power in the event of hydro or natural gas outages.

During wildfire season when electrical lines are compromised due to fires, generators are used to replace the power lost to homes and businesses. Increasingly, cleaner and more affordable propane generators are being used, replacing diesel, ensuring the health and safety of those communities under stress.

I cite these few examples to illustrate to your government as well as the parties sitting at the negotiation table so that you may better understand the importance of propane at the community level throughout the country.

The CPA is hopeful that CN, CPKC and the TCRC will be able to reach a successful conclusion to the negotiations, ensuring continued movement of propane across the country. If not, we expect that the federal government will take whatever action is necessary to ensure that rail transportation of propane is not interrupted.

As the CPA has stressed in the past during rail service disruptions, propane movement must be given priority. Specifically, three fundamental actions must occur: First, prioritizing the replenishment of propane supply across Canada. Second, prioritizing the return of empty propane rail cars to terminals to pick up product; and three, that rail cars be moved to transloading facilities quickly to ensure local deliveries.

The best solution for all Canadians is that the parties can reach an agreement to avoid disruption of this critical energy.

Sincerely,



Shannon Watt
President and CEO
Canadian Propane Association

