



To: Employment and Social Development Canada
From: Canadian Propane Association
Date: May 20, 2026
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Re: Submission to Labour Program Consultation – *Building Canada Strong for All*

On behalf of the Canadian Propane Association (CPA), we appreciate the opportunity to provide input to the [Government of Canada’s consultation on strengthening the federal labour relations framework](#). We recognize the government’s focus on modernizing the Canada Labour Code, including improvements to collective bargaining timelines, dispute resolution mechanisms, and broader tools to support labour stability in federally regulated sectors.

The CPA represents over 400 companies across Canada. Rail transportation is essential to Canada’s propane supply chain, connecting Western Canadian propane production to homes, farms, businesses, and industries across the country.¹ Propane plays an essential role in home heating, crop drying, grain handling, manufacturing, and transportation fuel applications, particularly in rural and remote communities where alternative energy infrastructure may be limited. Rail’s ability to transport large volumes over long distances helps maintain supply reliability during periods of peak winter demand, supply disruptions, and extreme weather events. In Quebec and Atlantic Canada, 80–85% of propane is delivered by rail, making the network critical to energy security and supply reliability. More than 100,000 homes in Ontario, Quebec, and Atlantic Canada rely on propane as their primary energy source, representing approximately half a million Canadians. Any disruption to rail service weakens the propane supply chain and risks significant impacts on Canadians who depend on propane every day.

Ensuring a Resilient and Reliable System

In the context of this consultation on collective bargaining, dispute resolution, and essential services, it is critical to recognize the need to maintain uninterrupted movement of essential energy products. Canada’s geography, climate, and economy depend on reliable energy transportation under all circumstances. Approximately 75% of propane in Canada is moved by rail, and in many regions, there are no practical alternatives. Truck transportation is not a viable large-scale substitute for rail in propane distribution. Replacing rail volumes would require approximately two trucks for every rail car, resulting in delivery times that can extend up to 10 days depending on destination, while substantially increasing transportation costs and straining logistics networks. The trucking sector also lacks the capacity to scale quickly in response to rail disruptions due to persistent operational constraints, including driver shortages, hours-of-

¹ [National-Economic-Overview-2026.pdf](#)

service regulations, limited equipment and terminal capacity, and severe winter weather conditions during peak demand periods.

Any prolonged rail disruption has immediate and far-reaching impacts on propane supply chains, and impacts Canada's reputation as a reliable trading partner. Canada has experienced a significant and accelerating breakdown in supply chain labour stability. Over the past three years (2023-2025), Canada recorded more than 100 work stoppages in the transportation sector alone.² At a time when transportation policy has effectively become economic policy, instability in critical transportation corridors threatens energy security, increases costs for consumers and producers, and undermines confidence in Canada's ability to move essential goods efficiently, both at home and for our global trading partners. The Government of Canada has articulated a clear ambition to build resilient infrastructure, diversify trade, and strengthen Canada's competitive position in a shifting global economy. Yet a labour relations framework that cannot safeguard the transportation systems underpinning the propane supply chain creates a fundamental structural contradiction — one that this consultation presents an important opportunity to address.

Labour-related rail disruptions can have immediate and serious consequences for Canadians relying on propane, particularly in rural and remote communities where propane is a primary energy source for homes, businesses, and critical services. The August 2024 rail disruption alone resulted in an estimated \$9.82 million in daily losses to the Canadian propane sector from reduced propane volumes moving out of Alberta.

Ongoing supply chain uncertainty and repeated transportation disruptions have imposed significant costs on propane shippers and exporters across Canada. To mitigate risks to supply reliability, industry has been forced to invest heavily in contingency planning, additional rail car capacity and signings, expanded storage infrastructure, and operational redundancies to maintain product movement during disruptions. These added costs ultimately reduce competitiveness, increase pressure across the supply chain, and underscore the economic importance of a stable and reliable transportation network for Canada's propane sector.

As the government considers changes to bargaining timelines, conciliation processes, cooling-off periods, and strike or lockout notice requirements, the CPA emphasizes that these frameworks must support early resolution and minimize the risk of supply chain interruptions affecting essential services.

To strengthen resilience, the CPA recommends:

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- Recognizing critical transportation infrastructure as essential to national resilience, and considering appropriate essential service designations within the federal labour relations framework;
- Ensuring continuity of essential goods movement, including propane, during labour disruptions through minimum service requirements or comparable mechanisms;
- Enhancing advance notice requirements, contingency planning, and system preparedness for disruptions impacting critical supply chains;
- Strengthening dispute resolution tools, including the use of expedited arbitration and/or special mediators, to resolve disputes quickly in sectors critical to Canadians' well-being;
- Supporting early intervention authorities and coordination mechanisms to identify and mitigate risks before they escalate into broader supply chain disruptions.

Supporting Canada's Economic and Global Competitiveness

Reliable infrastructure and labour stability are essential not only for domestic energy security but also for Canada's global competitiveness. As noted in the consultation, labour disruptions and uncertainty can impact investment decisions and supply chain reliability. The Canadian Propane Association has underscored this issue for years, most recently at the *Standing Senate Committee on Transport and Communications* as part of its study on maintenance of activities or essential services in the federally regulated rail and marine sectors in the case of labour disruptions.³

Canada's transportation systems are fundamental to the success of the country's propane export market and to maintaining Canada's reputation as a reliable global energy supplier. B.C.'s West Coast export terminals serve as a critical gateway for Canadian propane to reach international markets, with more than 60% of exports shipped to Asia in 2024, primarily to Japan, South Korea, and China. Rail infrastructure plays an essential role in connecting Western Canadian propane production to these export terminals, supporting \$3.72 billion in Canadian propane exports in 2025 and enabling Canada to compete in growing global energy markets.⁴ Any disruption to transportation networks can delay shipments, increase costs, and erode confidence among international customers and trading partners, underscoring the need for labour and transportation policies that reinforce stability and resilience across critical supply chains, including propane.

Conclusion

³ [SenVu](#)

⁴ [CER – Propane and Butanes Export Summary](#)



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Propane is more than an energy source—it is a critical component of Canada’s energy security and economic resilience. As the federal government advances potential reforms to the Canada Labour Code, including expedited arbitration processes, updated bargaining frameworks, and enhanced labour protections, it is essential that these changes also safeguard the continuity of critical supply chains.

A modernized labour relations framework should ensure that Canada’s transportation systems remain robust, responsive, and capable of delivering essential goods when and where they are needed.

Thank you for the opportunity to provide input. We look forward to further engagement on this important issue.

Sincerely,



Katie Kachur
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