



**BUILDING AMERICA®**

August 19, 2024

Dear Minister MacKinnon,

I hope this letter finds you and those you care for in good health.

I am reaching out to request your urgent intervention to avoid freight rail service disruption in Canada, which would have devastating consequences for the Canadian and U.S. economies. North American railways are highly integrated – a Canadian rail shutdown would directly impact cross-border traffic, causing a significant ripple effect in the U.S.

About a third of the traffic moved by Canadian railways crosses the Canada-U.S. border, impacting Union Pacific and our customers. For Union Pacific specifically, in the event of a shutdown, more than 2,500 cars per day would not move across the border. Some of these impacts have already begun. While some Canadian port traffic is shifting to the U.S., any strike or lockout will have a negative impact on the entire rail industry. For every one day of disruption, you can expect at least 3-5 days of recovery – perhaps even more, given two Canadian railways are impacted.

I spent most of my life and career in Canada, including 40 years working at the CN where I started as a unionized employee, so I deeply understand both the Canadian and U.S. rail systems. I am in a unique position to share my thoughts and perspectives on these dynamics with you, if you believe I can be helpful.

Ultimately, I must reiterate how imperative it is that you intervene to prevent a work stoppage. The impacts of a prolonged shutdown will have devastating consequences on the North American economy, with significant cascading effects. Along with supply chain delays and shortages, mines, grain elevators, factories, mills and other industries will incur increased costs when they lose their rail service. They will be forced to shut down or find costly, last-minute temporary alternatives – and in many cases, there are no alternatives to rail. Consumers and workers across multiple industries in both Canada and the U.S. will be severely impacted. Specifically, cross-border commodities such as chemicals, lumber products, automobiles, auto parts, agricultural products and other customer goods will be impacted.

Thank you for considering the serious impacts at hand and the urgent need to act using any and all available resources. Do not hesitate to call me personally if my perspective can be of assistance as you intervene to avoid a work stoppage.

Sincerely,