

February 19, 2020

The Right Honourable Justin Trudeau, P.C., M.P.  
Prime Minister of Canada  
House of Commons  
Ottawa, ON K1A 0A6

**Subject: Small business concerns about ongoing rail blockades**

Dear Prime Minister Trudeau:

Many of the 110,000 small- and medium-sized business members of the Canadian Federation of Independent Business (CFIB) are deeply concerned about the ongoing rail blockades and the impact they have on their business and on the economy overall.

As you know, CFIB members are found in all major sectors of the economy and many rely on rail services to get their goods to market or receive goods from Canadian and international suppliers. After the CN rail strikes this past fall, small businesses, particularly in the agriculture sector, have already taken a direct financial hit and faced difficulties getting their products to market and accessing supplies such as propane.

Some of the industries most affected by these rail blockades include agriculture and natural resources, and manufacturing. But retail, transportation and wholesale are increasingly feeling the effect of these actions.

We have been contacted by several members who are worried about the impact on their business if these blockades are not resolved immediately. For example, one member in Quebec that makes flags and banners buys its raw materials from a company in Taiwan, which sends the goods to Vancouver and then sends them by train to Montreal. Currently, this company is waiting for a delivery that will allow them to complete their contracts, which expire at the end of March 2020. Our member is concerned that these blockades could delay the production and delivery of their finished products. The company will lose approximately \$100,000 if it cannot fulfil its full contractual requirement.

Another medium-sized manufacturing member in Alberta uses 100,000 lbs of steel per day which is shipped by rail. If the blockades are not lifted, the business owner told us that he can last only 30 days before being forced to lay off almost 400 employees. He shared his concern about Canada becoming a less reliable place to do business and suggests he may be left with no choice but to explore other locations for his business.

A prolonged disruption of rail service means that these businesses are once again left with few options to get their products to market or receive shipments, leading to a loss of key contracts or customers, putting the future of their firm and the livelihood of their employees at risk. Small businesses often have fewer financial resources to weather long disruption like this one.

CFIB urges the federal government to work with the provinces and with law enforcement agencies to ensure rail service is immediately resumed. Canada's reputation as a dependable place to do business is at stake if a speedy resolution is not reached.

Further, CFIB calls on government agencies, such as the Canada Revenue Agency, to provide flexibility to small businesses that are severely affected.

Thank you for your attention to this matter. Should you have any questions or would like to discuss this further, feel free to contact us at our Ottawa office by email: [Corinne.Pohlmann@cfib.ca](mailto:Corinne.Pohlmann@cfib.ca) or call 613-235-2373.



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CC:

The Hon. Marc Garneau, Minister of Transport

The Hon. Mary Ng, Minister of Small Business, Export Promotion and International Trade

The Hon. Diane Lebouthillier, Minister of National Revenue

The Hon. Marc Miller, Minister of Indigenous Services