Cassels

Bill C-39: Building Canada Strong Act Proposes Major Changes to Project Approvals, Trade Infrastructure, and Federal Labour Relations

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On September 21, 2026, following a period of consultation, the federal government introduced Bill C-39, the *Building Canada Strong Act*, a wide-ranging package of reforms intended to accelerate federal project approvals, strengthen Canada's transportation and trade infrastructure, and modernize labour relations in federally regulated sectors.

The government's stated objective with Bill C-39 is to reduce duplication, improve coordination, and provide greater certainty for investors and project proponents. In doing so, the government is responding directly to long-standing concerns about the complexity and duration of federal approvals. If implemented with sufficient consultation, regulatory clarity and sustained attention to environmental and Indigenous obligations, Bill C-39 could create a more predictable and efficient framework for advancing major projects without comprising reduction in substantive standards.

The government describes the legislation as being based on three themes: "Build Canada Now," "Keep Canada Moving," and "Canada Strong for All." The government asserts that the legislation aims to provide greater "speed, certainty and predictability" for investment while maintaining environmental protections, respecting Indigenous rights, and strengthening protections for workers.

For businesses and investors, however, the significance of Bill C-39 lies less in the slogan than in its legal architecture. If passed, Bill C-39 would move numerous federal approval processes from sequential to concurrent review, impose or support one-year federal decision timelines in key regulatory regimes, consolidate responsibility in expert regulators, expand the *Building Canada Act* to cover designated geographic regions, and reform the rules governing ports, railways, trade corridors, and federally regulated labour disputes.

Key Takeaways

- **Federal project reviews would become significantly more coordinated.** For many projects, the objective is to move from multiple sequential federal decisions toward concurrent review and a single coordinated federal decision.

- **One year becomes the central federal benchmark — but it is not an unconditional one-year construction approval.** Timelines generally run after proponents have supplied required information and studies, and the government has expressly stated that timelines may be adjusted where necessary to discharge the Crown's section 35 consultation obligations for First Nations.
- **The Canada Energy Regulator (CER) and Canadian Nuclear Safety Commission (CNSC) assume larger roles.** The CER becomes the sole assessor for certain pipeline, transmission line and offshore renewable-energy applications, while the CNSC assumes responsibility for impact assessments of designated nuclear projects.
- **The *Building Canada Act* would expand from individual "national interest" projects to "Regions of National Interest."** This potentially creates a more strategic, regional approach to infrastructure and resource development.
- **Transportation and supply-chain reform is a substantial part of Bill C-39.** The Bill addresses project coordination, trade corridors, ports, rail competition, digital trade and transportation security.
- **The labour provisions are significant in their own right.** Bill C-39 creates earlier bargaining requirements for certain difficult bargaining relationships, establishes a new Special Mediator process and rewrites the conditions governing federal intervention under section 107 of the *Canada Labour Code*.

Build Canada Now: A New Architecture for Projects Approvals

The most commercially significant changes are contained in Part 1.

One Project, One Coordinated Federal Process

Bill C-39 would amend the *Impact Assessment Act* (IAA) to coordinate impact assessments with project reviews conducted by other federal agencies and to coordinate federal consultation with Indigenous groups. It also provides for a decision statement for an IAAC-led designated project to be issued within one year after the proponent provides the required information or studies.

Under this new approach, project proponents can anticipate one single coordinated federal decision flowing from one consultation process, which would involve the following sequence of steps:

- Preparation of a comprehensive application, gather studies and information for permitting and impact assessment
- Coordinated Crown Consultation Process
- One Federal Decision
- Single Conditions Document: e.g., Navigable Waters; Fisheries Authorizations; Species at Risk
- Construction can begin

The practical objective is streamlining decision-making by replacing duplicative approval processes that create delay and uncertainty. Instead of completing an impact assessment and subsequently moving through a series of federal permits, departments and regulators would undertake more of that work in parallel and deliver a single, consolidated decision.

This distinction matters. The government's phrase "one project, one decision, one year" should not be read to mean that every federal, provincial, territorial, municipal or Indigenous authorization is replaced by a single permit. Rather, C-39 creates a framework intended to consolidate and coordinate federal decision-making while preserving the underlying responsibilities and expertise of federal departments and agencies. The government's own materials state that departments would continue to contribute their statutory expertise even as decision points are coordinated.

Greater Reliance on Expert Regulators

For projects involving federally regulated nuclear activities, Bill C-39 would make the CNSC responsible for conducting the impact assessment. For pipelines, transmission lines and certain offshore renewable energy projects, the Bill gives the CER a substantially expanded role as the single authority for assessment, while also coordinating federal authorizations and Indigenous consultation. CER decisions in these areas are to be issued within one year after required information and studies have been received.

This could be particularly important for proponents of nuclear generation, transmission, pipelines and offshore energy projects because technical regulation and broader impact assessment would increasingly reside with the same institution.

Limited Activities Permitted Before a Final Decision

The IAA amendments also create greater flexibility for specified activities to proceed before a final impact-assessment decision in defined circumstances. The Minister or CNSC may authorize certain activities considered to be in the public interest, subject to conditions addressing adverse effects. The authority does not extend to permitting the entire designated project to proceed before the assessment decision.

For proponents, this may create opportunities to undertake appropriate early or enabling work without waiting for the entire federal process to conclude. The authorized preparation activities will allow projects to be built faster, while maintaining the necessary approval processes. The scope of these authorities and their administration will therefore merit close attention.

Regions of National Interest: Potentially the Most Consequential Structural Change

Bill C-39 would significantly expand the *Building Canada Act*, enacted as part of Bill C-5 in 2025.

The Governor in Council would be able to designate a Region of National Interest and identify the types of projects within that region that are eligible for the Act's accelerated framework. Regions of National Interest designated under the *Building Canada Act* could include:

- transportation or energy corridors,
- telecommunications networks,
- energy production and transmission systems, and
- industrial regions.

Before such a designation is made, a relevant regional assessment must have been conducted under the IAA or applicable territorial legislation, and the Governor in Council must take the resulting assessment into account. Once designated as a Region of National Interest, certain eligible projects identified through the assessment can be considered pre-approved, subject to conditions and mitigation measures.

The commercial significance is potentially considerable. Rather than considering regulatory acceleration only project by project, government could undertake a regional assessment of cumulative impacts, infrastructure needs and Indigenous interests before individual proposals arrive, then establish a more predictable pathway for qualifying projects within the region.

The Bill also expands ministerial authority to add, remove or amend conditions attached to authorizations, including certain authorizations granted before a project was designated as being in the national interest. Consultation requirements continue to apply.

For developers, the result could be greater flexibility where technology, project design, environmental science or consultation outcomes evolve after an initial decision. Conversely, the breadth and exercise of these authorities may attract close scrutiny.

Environmental Regulation: Streamlining Without Formal Exemptions

Several environmental statutes are also amended. Most notably for project proponents are amendments to the *Species at Risk Act*, the *Canadian Navigable Waters Act*, and the *Fisheries Act*.

Changes to *Species at Risk Act* will see the current practice – whereby the minister in issuing a Species at Risk permit setting out conditions that the proponent must follow – amended to provide that the minister is to consider "the technical, economic and practical feasibility" of any proposed condition or amendment to a condition. In theory, this should allow proponents greater latitude to limit the impact of any stringent conditions that may be imposed on a project at the direction of the minister.

A number of changes are proposed under the *Canadian Navigable Waters Act* (CNWA). The availability of exemptions under the CNWA, for activities like dumping materials into waterways or removing water in ways that could affect navigation, will now be at the discretion of the Minister of Transport and, therefore, should be able to be determined on a more accelerated timeline. Certain small structures that impact navigation could be exempted from being treated as "works" under the CNWA, making it easier for projects to proceed rather than having to obtain multiple approvals for other minor structures (i.e., railway bridges over waterways).

The *Fisheries Act* would permit third parties to sell fish-habitat credits to project proponents for offsetting purposes. The amendments would also provide for fees to offset certain adverse effects on fish and fish habitat, with payments directed to the Environmental Damages Fund. Other amendments require the minister to consider the technical, economic and practical feasibility of conditions established under the *Fisheries Act*.

The government characterizes these reforms as a change in process rather than a reduction in standards. Its messaging emphasizes that environmental assessments will continue to consider environmental, health and social effects, Indigenous and traditional knowledge and the familiar mitigation hierarchy of avoidance, minimization, mitigation and offsetting.

The government's position is that these proposed amendments to various environmental legislation through Bill C-39 are principally designed to change who decides, when decisions are made, how processes are coordinated and how conditions can be administered, rather than simply eliminating the underlying federal environmental regimes.

Keep Canada Moving: Trade Corridors, Ports, and Rail

Part 2 is a broad supply-chain package.

Bill C-39 authorizes a Transportation Project Office to coordinate federal authorization reviews and consultation for transportation projects. It would also permit designation of geographic areas as trade corridors and establish a National Trade Corridors Council to monitor the movement of goods in these trade corridors, identify disruptions and advise the Minister of Transport.

Other measures include a "tell-us-once" approach to information already supplied to federal institutions, greater alignment with international data standards, expanded transportation-security clearance authorities and fewer regulatory approvals for rail construction projects.

The port reforms are particularly relevant to infrastructure investors. The government proposes to broaden the commercial flexibility of Canadian Port Authorities, including greater scope for joint ventures with private-sector partners, expanded activities on port lands and inland-port operations, and reforms to borrowing limits and governance. Indigenous advisory committees would also become part of port governance.

Bill C-39 would additionally reintroduce extended inter-switching within a 160-kilometre radius in Manitoba, Saskatchewan and Alberta for a four-year period, increasing competitive routing options for eligible rail shippers.

Collectively, these provisions reflect a broader policy objective: treating the regulatory approval of infrastructure and the efficient movement of goods through that infrastructure as part of the same investment strategy.

Strong for All: A Significant Rewrite of Federal Labour Relations

Part 3 makes substantial amendments to the *Canada Labour Code*, for federally regulated industries such as rail, ports, aviation, telecommunications and banking.

For certain bargaining relationships with a history of difficulty — where the last bargaining cycle ended in a work stoppage or imposed arbitration, or where more than five years have passed since the last collective agreement was reached — the parties would be required to begin collective bargaining as early as 200 days before expiry of the collective agreement, with the support of federal mediators. In addition, the parties must also engage with the Federal Mediation and Conciliation Service to begin relationship-building work within six months of reaching a collective agreement.

Bill C-39 would establish a new special mediator mechanism. The Minister may appoint a special mediator to assist the parties during the extended (90-day) conciliation period. Where no settlement is reached, the mediator must deliver a public report to the Minister setting out the issues in dispute, the parties' positions, and any recommendations for a new collective agreement. The Minister must consider that report before directing the Canada Industrial Relations Board (CIRB) to intervene under section 107. The Minister may only request such intervention after considering the Special Mediator's report and concluding that the dispute adversely affects, or may adversely affect, the "national interest." Relevant considerations expressly include significant effects on the Canadian economy, serious social disruption and the effect of intervention on freedom of association. If these conditions are met and a work stoppage occurs, the CIRB may require, at the direction of the Minister, the parties to resume operations, extend the collective agreement or impose a binding dispute-resolution process.

The Bill therefore does not abolish federal intervention in major labour disputes. Instead, it seeks to formalize the circumstances and process through which that intervention can occur.

Other amendments address successor rights when contractors change, first collective agreements, geographic or multi-employer certification — including in the longshoring industry — wage recovery and insolvency-related worker protections.

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What Businesses Should Watch

Bill C-39 is best understood as an attempt to make predictability itself an element of Canada's investment proposition. The federal government is seeking to compress decision-making, place greater accountability in designated regulators, assess development at a regional level and address transportation and labour bottlenecks that can arise after a project has been approved.

The ultimate impact will depend heavily on implementation. The ability of departments, the CER, CNSC, IAAC, CIRB and the proposed consultation and coordination mechanisms to operate concurrently — and with sufficient resources — will determine whether statutory and policy timelines produce materially faster outcomes in practice.

Proponents should therefore consider Bill C-39 not simply as a shorter approval clock but as a reason to reassess regulatory strategy at the front end: completeness of applications, sequencing of federal and provincial approvals, Indigenous engagement, regional-assessment opportunities, permitting conditions, supply-chain arrangements and labour-relations exposure could all become more important to determining whether a project can benefit from the new framework.

Bill C-39 received first reading on September 21, 2026, and remains subject to Parliamentary consideration and amendment.

Cassels will continue to monitor the legislation and its implications for project development, infrastructure investment, transportation, natural resources and federally regulated employers.
