



Collective Bargaining with the TCRC - The Need for Labour Stability

March 14, 2022



CP has been meeting with the Teamsters Canada Rail Conference (TCRC) and federal mediators throughout the weekend in the hope of achieving a negotiated settlement and averting a work stoppage. Those negotiations are continuing in Calgary, but our positions remain far apart.

Last month, members of TCRC, which represents approximately 3,000 of CP's locomotive engineers and conductors, voted in favour of strike action. Since 12:01 a.m. on Sunday, March 13, the TCRC has been, and remains, in a position to issue a strike notice and commence a work stoppage. Those who depend on the supply chain have been anxiously awaiting updates - while they do their best to prepare for a labour disruption that could come at any time.

CP has offered wage increases and agreed to 20 union demands on benefits and work rules, all in order to achieve labour certainty and stability for the next two years. CP has asked for nothing in return except labour certainty for our customers and all stakeholders.

The key issue at the bargaining table remains the TCRC leadership's irresponsible demands connected to CP's Defined Benefit Pension Plan. For nearly a decade, CP has invited the TCRC to enroll its members in a sustainable pension-sharing program, which has benefited thousands of members of our other Canadian unions. The TCRC leadership has consistently rejected this opportunity and has, for years, failed to provide its members with pension benefits other members of the CP plan have enjoyed.

The TCRC leadership is now demanding to be paid for the past opportunities they missed on behalf of their members - something that would be unfair to a majority of the plan members and their unions.

It would be highly irresponsible for the company to agree to these irresponsible demands that would destabilize the pension program, putting it at risk for all of the participants. There is a clear path for the TCRC to participate in pension improvement accounts on the same terms that CP's other Canadian unions have agreed to. The TCRC leadership simply refuses to consider it.

To break this impasse, CP has offered to enter binding arbitration, which the TCRC leadership has not yet accepted. CP continues to encourage the TCRC to enter into binding arbitration now to prevent the devastating impact of a work stoppage.

CP understands that customers and the supply chain simply cannot tolerate the uncertainty of operating with a 72-hour strike deadline hanging over them, waiting to see if the TCRC will take that strike action.

As Canada emerges from winter and works to recover from the many supply chain challenges in recent months, from floods to blockades of critical infrastructure, there is also a growing need for CP to move Canada's abundant natural resources to the free world in the wake of geopolitical tension. The war in Ukraine has created a crisis in global markets for wheat, oil and other commodities.

The world needs Canada's resources and an efficient transportation system to deliver them. This need will only increase, placing even more importance on a reliable supply chain, not less.

Time is not on our side. Delaying will only make things worse.

For the sake of customers, the supply chain and the economy, CP cannot prolong the uncertainty associated with a potential strike for weeks or months. As a result, CP may be forced to lock-out TCRC members in the coming days to get this situation resolved. If forced to do so, that means CP would not be able to run the railroad until the TCRC leadership is willing to agree to a solution - or federal legislation forces them to come to the table to find a solution.

The Canadian economy could avoid all the pain and damage of a work stoppage if the TCRC leadership would agree to binding arbitration, an outcome we continue to push for. As history has shown with the TCRC leadership, federal conciliation has been required in eight of the nine collective bargaining rounds of negotiations between the TCRC and CP since 1993, including work stoppages for the past three. In each case, the TCRC has counted on the federal government to step in and resolve matters for them. The responsible thing would be to agree now, without harming the economy first.

CP will continue to provide updates on these negotiations as they progress.