

February 22, 2015

### **CNTL Bargaining Update**

The Unifor CNTL Bargaining Committee is pleased by the accomplishments we made on the non-economic matters that we tabled at bargaining with CN and CNTL. However, as you are aware, negotiations are still ongoing as we have not settled any of the economic items that we tabled at the bargaining table. The non-economic items that we negotiated are not officially agreed upon or binding until the whole agreement is negotiated, including economic matters, and then ratified by our CNTL membership from coast to coast to coast.

The Company tabled an economic offer to the Union the week of February 8<sup>th</sup> in Montreal. That offer was almost the same deal that the Union and Company agreed to in 2011, which was as follows:

- A \$2,500 signing bonus for the first year of the contract following ratification;
- Effective January 1, 2016, \$1.00 per hour increase to wait time and shunt rates and a 2% increase to zone and highway rates;
- Effective January 1, 2017, \$1.00 per hour increase to wait time and shunt rates and a 1.5% increase to zone and highway rates;
- Effective January 1, 2017, a 3% increase to zone and highway rates.

But what was different this time is that this offer also included changes to the present CNTL Fuel Subsidy (which we tabled a proposal to maintain at its present state for the life of a new collective agreement) and changes to the present Safety Bonus (which we did not table a demand to improve it). We informed the Company that our membership would not ratify a new agreement with any changes to these programs as it would amount to a monetary decrease to members. And the offer was absent our proposal to introduce a new Healthcare Spending Account for members to use to offset healthcare costs, which may include subsidizing their insurance plans. And we also have pushed very hard to have our CNTL Owner Operator membership included in the CN Share Investment Plan, which is something the Company says has to be approved by CN's Board of Directors before they could agree to offer it at the bargaining table. It was on this basis that we rejected this offer.

We countered the above economic offer that was met by the Company tabling a new demand to amend Appendix 1 of the collective agreement to have outside, sub-contracted trucking companies handle 60% of the paid moves compared to today's 10%.

We were hopeful that we would be able to meet with the Company again and bump up the value of their first offer and maintain the present Fuel Subsidy and Safety Bonus, maintain Appendix 1 of the collective agreement as is, but as you are aware, talks broke off completely based on other issues.

Unifor represents almost 5,000 members at CN, including CNTL. We have 6 separate collective agreements that we negotiate, five of which govern our Council 4000 membership. Four of the Unifor Agreements - Agreement 5.1, 5.1 Supplemental, Agreement 5.4, CN Savage Alberta Railway and Agreement 12 (Local 100) - CN would only offer an economic package on wages and benefits that they negotiated with two other Unions, agreements that fall short of the benefit improvements that our Unifor members asked their bargaining committees to negotiate. We informed CN that we want to bargain an agreement that serves in the best interests of our membership, and not be imposed with a contract negotiated by another Union.

While Unifor was negotiating with CN and CNTL, they were also negotiating with CP Rail at another Montreal hotel. Where CN was offering wage increases of 3%-3%-3% and 3% (CNTL's offer was as previously explained above), Unifor negotiated a deal with CP that sees wage increases of 3%-3%-3.5% and 4%. Unifor National President Jerry Dias calls this "the Unifor pattern," a pattern that at present, CN is not agreeing to. The National Union also had a proposal on the table for their Canadian Community Fund (CCF) where the **employers** of Unifor members contribute .5 cents per hour for every member into the fund to be used for various social and charitable initiatives in Canadian communities. CP agreed to contribute to this fund, but CN has refused. CN did offer to make direct charitable donations to women's shelters, something that the CCF also does. The CCF was made public and there are numerous stories and conflicting viewpoints on the fund, confusion as to the Union's bargaining agenda, and what's been offered at the bargaining table in terms of economic items.

After the Union rejected CN's first economic offer, CN reported to our membership what they were then prepared to offer the Union second offer to four Unifor bargaining units of 3%-3%-3.5%. In conjunction with this announcement, CNTL has started sending out communiques and BlackBerry messages to CNTL members that are confusing our CNTL membership, leaving many to believe that an across-the-board 3% increase was also offered to CNTL Owner Operators. That is not true. The offer from CNTL, thus far, is what is explained above.

Unifor did not take strike votes and had no intentions to take any strike action against CN or CNTL. We wanted to bargain a fair and reasonable agreement that meets the agenda that was set by our Unifor membership. Unfortunately, as you know, on Friday CN announced that they would lock-out Unifor members at CNTL, CN and CNSAR at 23:00 local time (11pm) Monday, February 23, 2015. This is unfortunate as we were hopeful that next week we would all be back at the bargaining table working towards new collective agreements for all our Unifor members at CNTL, CN and CNSAR. A lock-out means our members will be out on picket lines.

Unifor President Jerry Dias and Assistant Bob Orr were summoned to Ottawa today to meet with Federal Labour Minister Kellie Leitch and CN President and CEO Claude Mongeau. Hopefully they will come to an agreement to reconvene the bargaining process and postpone Monday's lockout of our membership.

We will provide more information as it becomes available. Please keep in touch with your Local Chairpersons.

In Solidarity,

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