

CUSTOMER ADVISORY

Negotiation Update: TCRC and CN/CPKC
12 AUGUST 2024



Canadian Pacific Kansas City (CPKC) and Canadian National (CN), two of Canada's major Class I railroads, are both engaged in ongoing labor disputes with the Teamsters Canada Rail Conference (TCRC), which represents train, engine, and rail traffic controller employees. Both companies have announced potential lockouts starting on August 22, 2024, if no resolution is reached through negotiation or binding arbitration. The Canada Industrial Relations Board (CIRB) has ruled that no rail services need to be maintained during a strike or lockout, adding urgency to the situation.

Key Points:

- **Lockout Notice:** CPKC and CN plan to lock out TCRC employees on August 22, 2024, unless a settlement or agreement to binding arbitration is reached.
- **CIRB Ruling:** The CIRB determined that no railway services are essential during a strike or lockout, leading to a 13-day cooling-off period ending on August 22.
- **Negotiation Challenges:** Both CPKC and CN have made multiple offers to the TCRC, including proposals for binding arbitration, which the union has rejected. No meaningful progress has been made in negotiations.

- **Impact on Supply Chains:** Both rail companies stress the importance of avoiding disruptions to Canada's supply chains, particularly during the peak fall shipping period.
- **Embargoes on Dangerous Goods:** In preparation for a possible work stoppage, CPKC and CN plan to issue embargoes on dangerous goods to ensure they safely exit the rail network.
- **Appeal to Government:** CN has formally requested the Canadian government's intervention to impose binding arbitration to protect the economy from the impacts of prolonged uncertainty.
- **Canadian Chamber of Commerce:** On August 9th, a joint letter was issued to the Prime Minister/ Ministers from many members of the chambers of Commerce, urging them to immediately intervene to avert a disruption in Canada's Class I railways.

The situation remains fluid, with both companies committed to avoiding a work stoppage but prepared to act if necessary.

Sources & Additional detail:

<https://teamsters.ca/blog/2024/08/09/cirb-moves-strike-or-lockout-deadline-at-cn-and-cpkc-to-august-22/#:~:text=The%20earliest%20a%20work%20stoppage,agreements%20at%20the%20bargaining%20table.>

<https://www.cn.ca/en/news/2024/08/cn-asks-federal-government-to-order-binding-arbitration-to-protect>

<https://www.cpkcr.com/en/media/TCRC-bargaining-updates>