

IN THE MATTER OF AN INTEREST ARBITRATION

BETWEEN:

Canadian Pacific Railway

and

Teamsters Canada Rail Conference, on behalf of Train and Engine Employees

Before: William Kaplan
Sole Arbitrator

Appearances

For the Employer: Myron W. Becker,
Chief Labour Officer, CPR

For the Union: Michael Church – Counsel, Caley Wray
Maeve Biggar – Counsel, Caley Wray
Dave Fulton, General Chairperson, TCRC West CTY
Greg Edwards, General Chairperson, TCRC West LE
Ed Mogus, General Chairperson, TCRC East LE
Wayne Apsey, General Chairperson, TCRC East CTY
Doug Edward, Sr. Vice General Chairperson, CTY West
Harvey Makoski, Sr. Vice General Chairperson, LE West
Greg Lawrenson, Vice General Chairperson, LE West
Ryan Finnon, Vice General Chairperson, CTY West
Dennis Psychogios, Sr. Vice General Chairperson, CTY East
Joe Bishop, Sr. Vice General Chairperson, LE East

The issues in dispute proceeded to a mediation on August 12 & 13, 2022. A hearing was held on August 14 & 15, 2022.

Introduction

Following a work stoppage in March 2022, the Company and the Union entered into a Memorandum of Agreement dated March 21st 2022 under which they agreed that the outstanding issues of wages, benefits and pensions be referred to binding mediation/arbitration in accordance with section 79 of the *Canada Labour Code*. By agreement of the parties, an additional issue in dispute with respect to Union Leave also proceeded to mediation/arbitration and forms part of this award. I was appointed to act as mediator/arbitrator for the purposes of issuing a final decision on the outstanding issues.

Both parties filed detailed briefs and reply briefs. A mediation was held in Toronto on August 12 & 13, 2022. That mediation was extremely useful in identifying and confirming the agreed upon items and more sharply focusing what remained in dispute. A hearing on the outstanding issues was held in Toronto on August 14 & 15, 2022.

In reaching this award, I have taken into careful consideration the interest arbitration criteria normally relied upon in adjudicating matters of this kind most notably replication: the replication of free collective bargaining.

I direct that the new collective agreement consist of the agreed-upon items set out in the Memorandum of Settlement dated March 21, 2022, the unamended portions of the expired collective agreements and this award disposing of the issues in dispute. All awarded items come into effect as of the date of this award unless otherwise indicated.

Award

1. Wages:

The following rate increases are in reference to wage rates only and do not apply to any other payments such as shift differentials, or any other payments not explicitly mentioned.

- a) Effective January 1, 2022, increase by **3.5%** the rates in effect on December 31, 2021.
- b) Effective January 1, 2023, increase by **3.5%** the rates in effect on December 31, 2022.

Employees who were in service on January 1, 2022, or who were employed subsequent thereto, shall, providing they have not been dismissed from the service, file has been closed or resigned prior to the issue of this award, be entitled to any amount of increased compensation that is due them for time worked subsequent to December 31, 2021, as outlined within this award. Any employee subsequently reinstated to service will, upon reinstatement, be entitled to the benefits contained in this award.

2. Benefits:

- a) Disability Benefits - Effective January 1, 2023, the maximum benefit will be increased from \$825 to **\$850**.
- b) Dental Plan - Effective January 1, 2023, the annual maximum amount will be increased from \$2,100 to **\$2,150**.

3. Pension:

- (a) Contribution Rates

Delete and replace the first bullet of the existing Article 37.08 of the collective agreement as follows:

Effective January 1, 2023, the pension contribution formula for employees hired before June 1, 2013 together with those employees who become part of this legacy group as a result of any sweep up represented by the TCRC (on behalf of Train and Engine Employees) is 6.94% of earnings up to and including the years' maximum pensionable Earnings (YMPE) as established from time to time by the Canada Revenue Agency, and 7.23% of earnings in excess of the YMPE.

- (b) PIA

Together with the above-noted contribution rate increases:

I direct the Union and the Company to enter into a PIA agreement on standard terms in the form substantially attached hereto as Schedule A by September 30, 2022 ("TCRC PIA").

The Company shall apply an effective date of January 1, 2019 to the TCRC PIA. The Union will remain in the PIA until at least January 1, 2024. Thereafter, if the TCRC withdraws from TCRC PIA in accordance with the termination provisions (7.02 of the TCRC PIA), any restriction on tabling pension demands in collective bargaining will no longer apply, however any improvements or amendments in pension benefits achieved within the PIA including but not limited to those set out in this Award shall be reflected within the Collective Agreement.

It is understood, and a basis for this part of the award, that the PIA balance under the TCRC PIA will be sufficient to provide effective January 1, 2023 for the election of first, the “sweep up” for employees hired on and after June 1, 2013 and before January 1, 2023; and, second, an increase in the pension cap for employees hired prior to January 1, 2023 of \$50. In accordance with the TCRC PIA, employees hired on or after January 1, 2023 shall have the \$1715 cap and commensurate benefit formula and contribution rate.

For greater certainty, the PIA does not form part of the Collective Agreement and is not subject to any dispute and arbitration provisions thereunder.

Clarity Note re: Pension

If notice of retirement is submitted by an employee within 60 days of the issuance of this award or prior to its issuance, and provided the employee is not in receipt of a pension, the employee may rescind the notice and retire on a date that is on or after January 1, 2023.

4. Union Leave

Articles 42.04 and 42.12 are amended and a new Article 42.16 is added as follows:

42.04 In addition, except when called for duty or on duty, the Union’s Local Chairmen, and Division Legislative Representative will be able to book off for Union leave upon notifying the Company. Vice Local Chairman will book off through authorization of the relevant Local Chairman and notification to the Company at which time leave must be accepted by the Company. **When these Union officers book on again, they will be permitted to book up to 10 hours rest (10 hours plus a 2-hour call).** The maximum number of Local Chairman/Vice Local Chairman per local committee off at any one time will be two. In the event circumstances necessitate the requirement for additional Vice Local Chairmen to be off on Union business such leave will not be unreasonably withheld by the Company.

42.12 Division President, Secretary Treasurer, Local Chairmen and Legislative Representatives whose attendance is required at Division Meetings may hold their turns in order to ensue attendance at these meetings, or for Local Chairmen (or designate Vice LC) to fulfill their additional responsibilities. **When these Union officers activate their turns again they will be permitted to book up to 10 hours rest (10 hours plus a 2-hour call).**

42.16 Employees on Union Leave for more than 100 days in a calendar year will be placed on full time Union Leave. Employees on full-time union leave status will not be permitted to return to active service before providing a minimum of 35 calendar days' notice. In the application of this paragraph, the following will apply:

- a) Employees falling under Article 42.06 and 42.07 are excluded from this clause (regional and national officers).
- b) Union representatives attending investigations, as well as company-initiated meetings, will not have this time calculated in the determination of Union Leave.

Conclusion

At the request of the parties, I remain seized of all awarded matters contained herein until the terms of the new collective agreement have been implemented.

DATED at Toronto this 15th day of August 2022.

“William Kaplan”

William Kaplan, Arbitrator