

CN rail workers strike as talks break down

Written by Reuters

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TORONTO, Nov 28 (Reuters) - Locomotive engineers at Canada's largest railway walked off the job on Saturday after talks broke down, but Canadian National Railway (CNR.TO) (CNI.N) said it was using management and non-union staff to provide "the best possible service under the circumstances."

CN spokesman Mark Hallman said the strike started overnight after the breakdown of talks with the Teamsters Union. "We have deployed our contingency plan," he said.

Dan Shewchuk from the Teamsters Union could not say how long the strike might last.

The union also said commuter train services in the Montreal area would not be affected.

The engineers have been without a contract since Dec. 31, 2008, and CN unilaterally imposed new work conditions on Monday, describing this as the only way to break a deadlock.

Hallman declined to say how many trains were running, or indicate the possible impact the strike might have on CN results. Canada's rail network is heavily used by grain shippers and other exporters of raw materials.

The Teamsters represent about 1,700 CN engineers in Canada out of a Canadian workforce of more than 15,000.

The dispute does not affect CN's engineers in the United States, who work under different contracts.

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Under the new conditions imposed by the company, engineers' monthly mileage cap would rise to 4,300 miles (6,900 km) from 3,800 miles (6,100 km), matching that of the railway's train conductors.

The mileage caps are designed to keep train crews from being overworked. CN says the 3,800 mile-limit was set decades ago, in an era of steam locomotives, and a higher limit would improve productivity.

The railroad also said it would raise wages by 1.5 percent, below the figure offered in contract proposals that the union had turned down.

The union said some engineers might have to work seven days a week with no time off under the new system, a claim CN denied.

The last strike at CN began in February 2007 when 2,800 conductors and yard-service employees in the United Transportation Union (now the Teamsters Union) walked off the job. It ended two months later after the federal government passed back-to-work legislation, citing the importance of the rail service to the economy.

It was unclear if the government planned to introduce similar legislation this time. Hallman said the company hoped to end the strike through negotiations.