

IAM RAIL DIVISION



Rail Unions Invoke Federal Mediation with CPKC Over DM&E Pay, Benefits Dispute

Three rail labor unions have invoked federal mediation after more than a year of stalled contract talks with Canadian Pacific Kansas City (CPKC), citing particularly, the railroad's mistreatment of employees on its former Dakota, Minnesota and Eastern (DM&E) lines.

IAM Union (International Association of Machinists and Aerospace Workers) District 19, the Brotherhood of Maintenance of Way Employees Division (BMWED), and the Brotherhood of Railroad Signalmen (BRS) have been bargaining as a coalition with CPKC since February 2025 under 19 collective bargaining agreements. While the parties are in accord on wage increases consistent with agreements with the other Class I railroads and have agreed to nationally negotiated health care changes, significant issues remain unresolved.

“CPKC leadership has publicly warned others to be skeptical of merger promises, yet they are breaking their own,” said **IAM District 19 President & Directing General Chair Reece Murtagh**. “Our members are still waiting for the wage parity and benefits they were told would come with this merger.”

CPKC’s DM&E employees remain excluded from the railroad industry’s National Health and Welfare Plan and earn about 10% less than Soo Line workers and more than 12% less than nearby Kansas City Southern employees, despite performing the same work. They are the only U.S. craft employees at any Class I railroad without coverage under the national plan or an equivalent plan. Additionally, CPKC’s proposed sick leave agreement is more restrictive and conditioned than the sick leave agreements the unions have with the other Class I railroads, and CPKC’s Delaware and Hudson employees are also underpaid.

“CPKC calls itself ‘One Railroad Connected,’ but its actions tell a very different story,” said **BRS Midwest Vice President Kurt Mullins**. “Signalmen on the DM&E are treated differently solely because of legacy geography, not because of the work they perform.”

The former DM&E lines, which run primarily through Iowa and Missouri, sit at the core of CPKC's integrated U.S. operations. When Canadian Pacific reacquired the DM&E and later merged with Kansas City Southern, executives promised DM&E employees their wages would be brought up to Soo Line rates. The unions say those commitments have not been honored.

"These workers are doing Class I railroad work for Class II wages, and CPKC knows it," said **BWED President Tony Cardwell**. "There is no legitimate justification for treating DM&E employees as second-class railroaders on a fully integrated Class I system."

Because talks have stalled, the unions have requested mediation services from the National Mediation Board under the Railway Labor Act.

The coalition of unions has also highlighted that CPKC projected its merger would create approximately 750 new U.S. craft jobs. Nearly three years later, net craft employment is only about 100 jobs above pre-merger levels.

"We are prepared to work through the Railway Labor Act process," **the unions said in a joint statement**. "But fairness for DM&E employees is not optional; respect and dignity are long overdue."

The unions will also work for an agreement to address the other unresolved issues, but, given CPKC's obstinacy, the unions have moved to dispute to the next step in the process-federal mediation.

The IAM Union (International Association of Machinists and Aerospace Workers) represents approximately 600,000 active and retired

members in aerospace, defense, airlines, shipbuilding, rail, transit, healthcare, automotive, and other industries across North America.

The Brotherhood of Maintenance of Way Employees is a division of the International Brotherhood of Teamsters that represents approximately 1.4 million members in a diverse membership base, including all modes of transportation as well as others across North America.

The Brotherhood of Railroad Signalmen represents over 10,000 active members in North America across freight railroads, transit, commuter, and signal shops.