



MANITOBA FEDERATION OF LABOUR / CLC-CTC  
FÉDÉRATION DU TRAVAIL DU MANITOBA / CTC-CLC

June 28, 2007

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Pierre Blouin, CEO  
Manitoba Telecom Services  
333 Main St.  
PO Box 6666, Room MP18C  
Winnipeg MB R3C 4V6

Dear Mr. Blouin:

**Re: Negotiations Between MTS Allstream Inc. and TEAM – Employer  
Proposal to Weaken Employee Pension Plan**

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Manitoba Federation of Labour (MFL) affiliated union TEAM/IFPTE Local 161 has made me aware of your bargaining table proposal to change the employee pension plan for new hires from the current defined benefit model to the less effective defined contribution model. The MFL strongly objects to your proposal.

Any proposal to weaken a company's pension plan has serious ramifications for both current and future employees. The major defect to such an idea is that it places individuals who would be captive of the defined contribution pension plan at serious risk when they enter their retirement years. Defined benefit pension plans are far superior to the defined contribution model, particularly when it comes to retirement income security and post-employment financial planning. Having a defined benefit plan enables an individual to rely on a predictable pension income and prepare him or herself for retirement long before their last day on the job. This is not possible with defined contribution plans since retirement income levels can be affected by many factors.

Your employees have deferred wage and benefit increases for decades in order to create and maintain a defined benefit pension plan. They have bought and paid for it and will not willingly give it up, nor should they have to.

You are proposing to shed your responsibility for participating in an acceptable retirement income programme for your employees and shifting the burden of risk from your shoulders to theirs.

As you are aware, the organized labour movement in Canada is strongly committed to preserving defined benefit pension plans for working people and their dependents. As affiliates of the Manitoba Federation of Labour, members of the three unions that represent the interests of your employees can expect, and are entitled to, the support of the rest of our affiliates in this matter.

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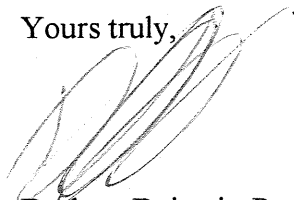


P. Blouin/D. Dziewit  
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Should you force this issue by locking the members of TEAM out of the workplace to coerce them into accepting your regressive proposal, the nearly 100,000 working people (and their families) affiliated with the MFL (many of them your customers) will support TEAM. We will not allow our members to be forced onto a picket line without our support, both financial and physical.

Yours truly,



Darlene Dziewit, President  
Manitoba Federation of Labour

DD/ph.cope342

copy: MFL Executive Council  
TEAM

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