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OUR FILE: P.WAGE.CN.1
March 2, 2007

TO: All UTU Members on CN Rail

Dear Sisters and Brothers:

RE: RATIFICATION VOTE ON MEMORANDUM OF SETTLEMENT

You will soon be receiving your Ratification Ballot for the Memorandum of Settlement reached on February 24, 2007. There was a letter from Vice Presidents Armstrong and Sharpe sent on that date to all UTU Local Chairpersons, Presidents, Secretaries/Treasurers and Legislative Representatives in Canada explaining this tentative agreement. We asked at that time for this document to be given widest distribution to the membership.

From the phone calls and emails we have received, it would appear there were many who have not seen this letter (attached). The majority of questions seem to be centered on the "Back to Work Legislation" and "Final Offer Selection" process contained in this legislation.

First of all, we would like to take this opportunity to thank all UTU officers and members for their assistance and cooperation in returning to work in a very timely manner. Your actions resulted in the Canadian Government putting the Back to Work Legislation on hold until our ratification process is completed on March 26, 2007. The results of this vote will definitely dictate which direction the Canadian Government will take at that time with respect to this Back to Work Legislation.

We again would like to explain the process of "Final Offer Selection" as is applies to this legislation. The questions we have been asked lead us to believe that members think this is like a mediation/arbitration process. This is definitely not the case. "Final Offer Selection" is a process whereby the union and the company would prepare submissions in contract language to the government appointed arbitrator on all outstanding issues they believe would resolve the current contract dispute. The arbitrator then chooses <u>one position only</u>, either the unions or the company's. There is no middle ground in this type of dispute resolution procedure. As you can tell, this is an extremely risky situation for the union to end up in. The prospect of an arbitrator deciding that the company gets all of its demands and the union gets none of theirs is not a gamble we feel is in the best interest of the UTU membership.

Should the membership ratify this tentative agreement, the General Committees will be back in place for the next round of negotiations. This will allow for a normal round of collective bargaining to take place.

We implore you to consider all the relevant facts before voting and respectfully request and recommend you vote "yes" on this ballot. This is about the membership making the decision on their future, or the government appointed arbitrator making a decision affecting all of us. As we as said in the attached letter, we felt it was critical that you, the membership, have the democratic right to make this crucial decision. Please do not let outside matters taking place within our union influence your vote.

We urge you to accept this contract, and return your ballot as soon as possible. The ballots will be counted in our Ottawa Office on March 26, 2007.

With kind regards,

In solidarity,

J. W. Armstrong,
Vice President.

R. W. Sharpe,
Vice President.

RWS/cam

cc: P. C. Thompson, International President
R. L. Marceau, Assistant President
D. E. Johnson, General Secretary and Treasurer
D. L. Hackey, Vice President
C. J. Miller, General Counsel
T. S. Secord, Canadian Legislative Director
B. Shell, Legal Counsel