

May 24, 2024

Paul Boucher President TCRC 1510-130 Albert St. Ottawa, ON K1P 5G4

Greg Lawrenson General Chair LE West 101-10820 24 Street SE Calgary, AB T2Z 4C9

Ed Mogus General Chair LE East Suite 246, 6-1500 Upper Middle Rd Oakville, ON L6M 0C2 Dave Fulton General Chair CTY West 101-10820 24 Street SE Calgary, AB T2Z 4C9

Wayne Apsey General Chair CTY East 9 Third Street Smiths Falls, ON K7A 3H5

Re: Letter to the Union (including Local Chairpersons) regarding Collective Bargaining

Gentlemen,

It is unfortunate that negotiations with the assistance of the Federal Mediators have stalled.

The Company is extremely disappointed by the lack of direct meetings while in Montreal. Despite this, I believe we must continue to strive to achieve what should be our mutual objective, that is, a path toward a settlement that is acceptable to both parties without imposing unnecessary harm to the general public.

First, however, the record must be set straight given the Union's May 22, 2024 "Negotiations Bulletin 10" which contains grossly misleading remarks.

You will recall that the Company requested a meeting on the evening of May 15th at 8:30 pm with TCRC representatives. Dave Fulton, Paul Boucher, and Ryan Finnson attended as well as the Director General FMCS, Peter Simpson to discuss Essential Services and Maintenance of Activities relating to the transportation of propane. This was the only face to face meeting that occurred the entire time in Montreal over a seven day period and lasted only 20 minutes. Thereafter, there were no further meetings sought by the TCRC through FMCS or otherwise, or any position put forth that might generate positive discussions toward a negotiated settlement.



On Friday May 17, through Federal Mediators, the Company reached out to you with an offer to work on a mutually acceptable framework to identify outstanding bargaining items that would be placed before a neutral third party in the form of an interest arbitration hearing which would simultaneously avoid the risk of a disruptive work stoppage. On May 18, the Union, through Federal Mediators, relayed to the Company, that you rejected working on an arbitration agreement, did not want to set future bargaining dates and have claimed that narrowing, balancing and making a case for the issues is not bargaining at all. I beg to differ. Not meeting and not negotiating while only seeking to strike is not negotiating and to put it mildly, acting in bad faith.

As a result of your response, on May 18, through Federal Mediators, the Company then suggested that you identify your key items and place them into "buckets" with the Company items that are in the same category, in an effort to spark some negotiating activity. The Federal Mediator relayed to the Company that you refused to entertain this in its entirety: leaving the Company with the clear indication that only a strike is your desired outcome.

You should also recall that in December 2023 the Company provided you with a comprehensive global offer (Option 1) with a simplified time-based method of pay to address the Union's concerns regarding pay, work schedules, scheduled time off and employee retention while providing additional operating flexibilities to provide enhanced customer service. It is unfortunate, the Union rejected this offer outright with barely a cursory review commenting that a wholesale change to the existing agreement provisions that it could not even be given consideration for review. In fact, Union's chief spokesperson Dave Fulton originally commented that he had only "flipped" through the pages of the Company's document and was "not interested".

In February 2024 the Company provided the Union with what could be viewed as an almost status-quo type agreement (Option 2). While both Company offers remain active, Option 2 is essentially a 3 year contract renewal, with standard wage and benefit increases and two work rule changes regarding Held Away pay and Time Pools at two locations.

In March of 2024, you finally provided the Company with a comprehensive proposal containing the vast majority of the Union's approximately 150 original demands from September 2023 which included a myriad of demands that were rejected during several previous rounds of bargaining. The Company carefully reviewed this offer and promptly met with the Union to review their document in detail to seek clarification about the various proposals. Ultimately, the Company could not accept the Union's comprehensive offer as structured.

I ask that you revisit both Options 1 and 2 in addition to interest arbitration in advance of future discussions and give consideration to a path forward in achieving an acceptable settlement that could be endorsed by the Company and our employees. CPKC remains committed to addressing issues of pay, work schedules, scheduled time off with a focus towards simplifying the current pay system and employee retention, coupled with our interests of providing enhanced customer service and flexibilities.



On May 21, during a meeting with the RCTC Union (the only other Union meeting held in Montreal) we were advised by Federal Mediators and confirmed by President Paul Boucher, that the Union will reach out to discuss future dates when they are in a position to do so or when the Canada Industrial Relation Board (CIRB) renders a decision.

At your convenience, the Company is available to discuss the aforementioned matters.

Sincerely,

Myron Becker

VP & Chief Labour Officer

CPKC

CC:

Peter Simpson, Director General, FMCS
Michelle Glubrecht, Regional Director – Northwestern Region, FMCS
Mark Redd, EVP & Chief Operating Officer
Greg Squires, SVP Operations
Nicholas C. Walker, SVP Operations
Dave Guerin, Managing Director Labour Relations
John Bairaktaris, Director, Labour Relations
Francine Billings, Director, Labour Relations
Ryan Finnson, Vice President TCRC
TCRC Local Chairpersons