

Memo

To: All Members
From: Frank Pasacreta
Date: May 7, 2007
Re: Negotiations Update

Main Table

Since the last bargaining update on April 5, 2007, the parties have made additional progress with respect to general matters and further identified key issues between them.

Committee Discussions

All bargaining sub-committees have reported back to the main table in the latter part of April. Out of these seven sub-committees below, two will require further discussion. The two sub-committees are the Lines and Pension Health & Welfare sub-committees.

- | | |
|---------------------|----------------------------------|
| 1. Despatch | 5. Pension Health & Welfare |
| 2. Lines | 6. Health and Safety |
| 3. Checking | 7. Maintenance & Contracting-out |
| 4. Vancouver Island | |

Scheduled Main Table / Sub-Committee Discussions

Additional main table bargaining dates have been scheduled through the month of May. Both parties are set to respond to proposals that will likely resolve some "Industry Issues" between the parties.

Since the start of bargaining on January 8, 2007, the parties have met 26 times at the main table and 16 times at the sub-committee level. There have been some minor delays in bargaining because both Employer and Union representatives had to interrupt scheduling to attend other business/industry commitments.

Both parties remain cautiously optimistic that a negotiated settlement can be achieved without third party intervention.