

# Memo

To: All Members  
From: Frank Pasacreta  
Date: May 30, 2007  
Re: Negotiations Update

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Since the last bargaining update on May 7, 2007, the parties have made additional progress with respect to some general matters and have engaged in constructive debate on some of the key issues in this round of bargaining.

All but two of the bargaining sub-committees have formally reported back to the Main Table. The two exceptions are Lines sub-committee and Pension, Health & Welfare sub-committee where further discussions are taking place.

The Despatch Sub-committee has been meeting both at the Main Table and at the sub-committee level. Several presentations have been made and proposals have been exchanged during the past weeks.

Additional dates have been scheduled for meetings of the Despatch Sub-committee during the first week of June. Resolution of the despatch modernization issues is crucial to the successful conclusion of this round of bargaining. As such, the issues are complex and sensitive, requiring time and patience on the part of both labour and management. Subject to the progress made during the first week of June, other dates may be set aside for further discussion at the sub-committee level.

In addition, Main Table bargaining dates have been set for the latter part of June and the first two weeks of July. During these dates the parties are set to further discuss key issues on the bargaining table.

Since bargaining began on January 8, 2007 the parties have met 33 times at the Main Table and 18 times at the sub-committee level.

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