



May 13, 2021

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Re: Transport Canada's Duty and Rest Period Rules and Pilot Project

Gentlemen,

This has reference to our numerous and recent discussions on the Transport Canada's Duty and Rest Period Rules (DRPR) that will come into effect on May 25, 2023 and the impact it will have on employee earnings, CBA rest provisions and employee availability.

While unknown at this time, we recognize the Duty and Rest Period Rules may impact some of the Collective Bargaining Agreement provisions and it has been rumoured the Union may want to address during the upcoming round of bargaining commencing in September. During our discussions, the Company indicated that it would be difficult during the upcoming round of bargaining to address concerns that, until factually demonstrated otherwise, may be hypothetical. Some of the concerns raised relate to negative earnings impact, increased employee availability and possible adverse effects to employee quality of life. Without a pilot project to confirm a negative impact, if any, it will be difficult to substantiate and/or address until after the implementation of Transport Canada's Duty and Rest Period Rules in May 25, 2023. Without factual experience demonstrating otherwise, the company is having a difficult time believing any concerns will result from the Duty and Rest Period Rules. We are all aware that the desire to have restrictive rest rules within the industry were aggressively advocated by the TCRC over a period of at least the last 8 years. During this period, I am confident that the TCRC Union, along with their sleep/rest experts, when advocating Transport Canada for these changes would have addressed many employee concerns to ensure any adverse impact would not be experienced by your membership.



Given the number of unknown variables surrounding DRPR, the parties had numerous discussions on exploring the possibility of a pilot project replicating the Transport Canada Work Rest Rules. During these discussions, the company indicated a pilot project would be a valuable means to identify the impact, if any, on our employees and the operation in advance of bargaining and the May 25, 2023 implementation date.

Despite our collective efforts we were unable to reach agreement on how a pilot would work and what Collective Agreement provisions would be relaxed, or if any should. The major obstacle stemmed from the Union's desire to retain the 48-hour rest provision contained in the Collective Agreement versus the DRPR regulations that will require employees to reset with a minimum of 32 hours within any consecutive 7-day period. This issue with this proposal is a pilot would not be representative of the May 2023 Rules. The Company maintains that a successful pilot project would need to encompass the Duty and Rest Period Rules that will go into effect on May 25, 2023. Without a Pilot replicating the Duty and Rest Period Rules, neither party will have factual data demonstrating that a negative or positive impact will exist. For either party to suggest otherwise is both premature and hypothetical in nature. You will also recall that during the period of time a terminal is involved in a pilot project the Company had presented a proposal for wage protection to employees; our offer as proposed remains.

In view of where the parties are currently at, I believe the advancement of work rule changes during bargaining in September that may be intended to address a hypothesis concerning the impact of the DRPR rules, is premature and best reserved for discussions post May 2023.

In the event the Union would like to revisit and implement a pilot initiative in advance of bargaining along with the assurance that a pilot will be based on Transport Canada's Duty and Rest Period Rules as written, we will gladly make ourselves available to discuss this matter further with you.

Sincerely,

Myron Becker
Chief Labour Officer

CC: Mark Redd – EVP Operations CP
Greg Squires – SVP Operations West
Tracey Miller, SVP Operations South
Dave Guerin, Managing Director LR
Dave Pezzaniti, Director LR