



BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN

GENERAL COMMITTEE OF ADJUSTMENT – *Canadian National/Wisconsin Central Ltd - Fox Valley & Western Ltd*

1320 S. Webster Avenue Suite 1
Green Bay, WI 54301
PHONE: 920-857-9130
FAX: 920-857-9185
Email: jreynoldsblet@newbc.rr.com

June 23, 2014

BLET Members
CN/WC:

As you should be aware, a copy of the Tentative Mediation A-13676 Agreement was mailed on Friday, June 20, 2014 to active members of the BLET employed by CN-WC who are eligible to vote on the ratification of this Agreement. Ballots are due by Friday, July 25, 2014. I have received many questions concerning what happens next if the Tentative Agreement does not ratify. While there is a legal structure that governs the process from this point on, it is much harder to predict with forensic precision just what will happen. I will do my best to explain what the law provides, and my best estimate of what could happen if you reject the Agreement.

The RLA provides that, *upon finding an impasse*, the NMB may extend a “proffer of arbitration” to the Parties. If *both* Parties accept the proffer, the dispute is submitted to an arbitrator, who ultimately makes a final and binding Award settling all matters in dispute. Under our Organization’s Bylaws, I cannot accept the proffer without first submitting the question to you, the membership, for ratification, in much the same manner as you are voting on the current proposed Agreement. *The importance of the term “impasse” will become clearer as you read this.*

If the proffer is rejected by either or both Parties, the NMB will “release” the Parties, triggering a thirty (30) day “cooling off period.” During this period, the NMB will consider the dispute’s potential to interrupt essential transportation services. If it believes that a work stoppage will deny essential transportation services, it will suggest to President Obama that he appoint a Presidential Emergency Board (PEB).

The President may, at his discretion, appoint a PEB, which will convene with the Parties and, after listening to their respective positions and studying their submissions, make a Report, which the Parties are free to accept or reject. If one or both Parties reject the Report, which starts another thirty (30) day cooling off period, they are free to exercise “self-help” at the end of the cooling off period. At this point in the process, the RLA provides no further steps for avoiding conflict. Typically, contract disputes that reach

this point are settled by Congress, which is free to impose a settlement by statute. In rare cases, Congress has not acted, and in those cases, there is simply no way to predict the outcome.

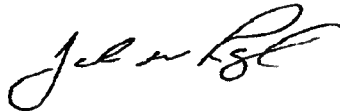
It is important to stress that we are still in the part of the process where NMB has custody of the Mediation Case, and none of what I have described above can take place until NMB decides (*at their sole, unreviewable discretion*) to extend the proffer of arbitration to the Parties. If the Agreement does not ratify, it is virtually impossible to predict how NMB will respond. Since NMB has sole discretion to determine whether or not an impasse exists, and this is what triggers the above described processes, I cannot give you a precise timetable for how this would or would not progress along the RLA timeline. This key fact is one of the principal reasons the process is shrouded with so much uncertainty.

If the Agreement does not ratify, the timing of future sessions will be determined by Mediator Tosi, who still has custody of the matter. I do not know how he will react to a second rejection of a tentative Agreement, which makes it impossible to predict how much time it will take to get back to the bargaining table. Assuming that talks resume, but no progress is made, there is no way to predict how NMB will deal with that. The Board is comprised of three members who are Presidential appointees. They have virtually unreviewable discretion to determine whether or not an impasse exists. They can, and have, held parties in mediation for years. It's a lot like sitting at a stop signal – it could pop at any moment, or you could expire on your hours looking at it.

At this point, I must remind you that we have achieved the best possible tentative Agreement that can be had short of self-help. There is no reason to believe that the Carrier's negotiating posture will change if the Agreement is rejected. Thus, you must choose between the certain outcome represented by the tentative Agreement and the uncertain outcomes I have done my best to describe.

Should you have any questions or concerns, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Reynolds". The signature is fluid and cursive, with the first name "John" being the most prominent part.

John W. Reynolds
General Chairman – CN/WC, BLET