

**TEAMSTER CANADA RAIL CONFERENCE
MAINTENANCE OF WAY EMPLOYEES DIVISION**

TO: Bill Brehl
President TCRC-MWED
Ottawa, Ontario

Date: October 31st, 2006

President Brehl,

As per your request, here is an update on the contracting out problem that we faced on the shortlines.

I recently had the opportunity to tour the ONR (Ontario Northland Railway). This short-line is the largest short-line in Canada, out of the entire 23, we presently represent. The ONR employs 163 members and extends far north in Ontario and Quebec. I have the distinct pleasure of meeting a Manager in charge of this line by the name of Richard Gamble. This manager was a rank and file for many years on this railway and recently accepted an official management position this year in charge of the entire maintenance force.

Mr. Gamble is a firm believer that the union is an essential part of the company it represents and promotes unity and cooperation between the company and union better than any supervisor I have encountered. Mr. Gamble had 200 hats made up with both the company and union emblems on them with a slogan on the back about working together for a better work place.

He stated to me several times that while he was in charge “..no contractors would be on the ONR performing work that the employees have historically performed..”. This short-line also has their own gangs, boarding cars, and B&B department.

I have just entered into discussions with Mr. Gamble to insure that if they ever needed extra help on this line, and the dates would line up, that I could arrange with C.P. Rail for laid-off members of C.P. Rail to assist in time sensitive projects in the early or later portions of the year. He agreed to let me know immediately if he would require any additional help from these members, rather than allowing contractors on the property.

I also had the opportunity to talk today with Scott Campbell, Supervisor of the OVR (Ottawa Valley Railway). We discussed three issues, the first being the successful removal of PNR surfacing contractors from the property earlier this year. He informs me that the deal we agreed to, has been so successful that close to \$600,000 has been diverted from PNR and kept in house with our members. He also informs me that the second deal we made to remove Swift contracting of the property will also go a long way to keep our members working and the contractors away from the property.

Swift contractors had the contract to install 5000 ties and 10000 feet of rail, but through extensive talks between myself and Bob Decico, General Manager of the OVR, the company agreed to immediately remove Swift contractors from the property, which they did one hour after the agreement.

Then they leased equipment from another shortline (the ONR), appointed OVR employees onto this machinery, and hired an additional 8 employees as laborers for this crew.

The company has now again approached me to expand this agreement to a larger tie crew which would see the previous crew double in size. This crew would change ties on the three short-line railways we represent and Rail-link runs.

They have assured me that not only would PNR tie crews not be hired next year, but they will provide more training and machine course to their employees during the year. This new agreement will once again divert money from PNR contractors into the pockets of our members. The total amount should be well over 1.5 million dollars. When I receive the exact amount of money that has been kept in house and not wasted on PNR I will forward this to your office later in the year.

Before the Teamsters represented the OVR, contractors performed close to 50% of the total work on this short-line. Contractors are now very close to being 100% off the property entirely.

If you require further clarification on these short-lines or any other assistance, please do not hesitate to contact me.

Fraternally,

J.J. Spikula
Director, Eastern Region
TCRC-MWED