WITHOUT PREJUDICE

March 26, 2004



VIA FAX

J. J. Kruk
System Federation
Greneral Chairperson
Président général
de la fédération
du réseau

D.B. McCracken
Federation
General Chuirperson
and Secretary-Treasurer
Président général
de la fédération
et secrétaire-trésorier

Mr. Ken Deptuck
Chairman Central Committee for Canada & Vice President
Brotherhood of Maintenance
of Way Employees.
1 - 2775 Lancaster Rd.
Ottawa, ON K1B 4V8

Dear Vice President Deptuck:

This refers to your letter dated March 19, 2004 in connection with the motion adopted by a majority of the members of the Central Committee for Canada (CCC) requesting that a CCC meeting be arranged on Monday, March 22, 2004 in order to make arrangements to allow for a democratic vote of all BMWE members in Canada as to which union, the United Steelworkers of America or the Teamsters, they wish to have represent them. The majority of the CCC further supported, in their adopted motion, that authorized representatives of the Canadian Labour Congress, the Steelworkers and the Teamsters be invited to participate in the making of the arrangements for the vote.

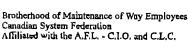
It is not surprising that you would not honour the wishes of a majority of the CCC supporting the motion adopted, as this is not the first time that you failed to respect the wishes of the majority of that body.

Certainly, we are all aware that both the Steelworkers and Teamsters have made application to the Canada Industrial Relations Board to take over the representation and become the official bargaining agent of BMWE members on both CN and CP. I cannot understand how the possible splitting of the BMWE in Canada through a CIRB ordered vote is protecting the rights and best interests of the BMWE membership in Canada. What was being proposed in the CCC adopted motion was a full Canadian BMWE vote - a "winner take all" to put it in its proper perspective. This way there would be no possibility of Steelworkers taking on the right of the representing Maintenance of Way Employees on one property, Teamsters taking the other, and members on the small roads and with other employers continuing to be represented by the BMWE. How would taking the above noted risk in a CIRB ordered vote result in keeping the BMWE membership in Canada together? How does it protect the Canadian members' interest? By allowing the full BMWE membership in Canada to cast a vote on Steelworkers or Teamsters, would allow them to remain in one Union without any risk of being divided into three.

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You state that you, "find this request quite odd" when referencing the motion adopted by a majority of the CCC giving, "the BMWE members in Canada"... "an opportunity









to vote on whom they want to represent them, the Teamsters or the Steelworkers". You say you find this odd because Acting BMWE President Freddie Simpson made this same proposal to Brothers Bowden, Dawson and myself in October 2003 and it was rejected. I am uncertain who provided you with this information, but to be perfectly honest it was I that made the proposal to Acting President Simpson. I reiterated this in a letter to him on October 17, 2003 when responding to his request that I participate on the BMWE/Teamsters merger committee. I informed him in that letter that I,

"decided to be a willing participant of the Teamsters merger committee for Canada, only if your approval is received to also allow similar merger discussions in Canada with the Steelworkers, the CAW and any other Union willing to sit and negotiate a merger. Once all are completed, I would propose that the Canadian membership be given the final decision of which Union they felt would be the best possible merger partner and who they wished to merge with. This is the only way I believe that the Canadian members rights will be respected. The Canadian membership has a legal right to determine which bargaining agent they wish to be represented by. Lets not take that right away by limiting their choices. Lets do the merger deals with all unions willing and let the membership make the final decision."

I again made the proposal in a letter to him on February 12, 2004 wherein I stated,

"I would suggest that before the CIRB makes a decision, and to ensure the membership's rights and wishes are respected, that you undertake to submit the question to the membership in Canada on which union they wish to be represented by; the Steelworkers or the Teamsters."

I concluded that letter by saying,

"I would suggest again, as I have above, for Grand Lodge to put the vote out to the Canadian membership. This can more than likely be accomplished under the auspices of the Canadian Labour Congress. Steelworkers or Teamsters? Keep the membership in Canada together and let the members decide."

Perhaps you can question Acting President Simpson on how he responded to these suggestions. I can tell you that he didn't, not to this office anyway. For you to now imply that such a proposal was rejected back in October, well, you are partly right, but it was rejected by Acting President Simpson. Why would Acting President Simpson put forth such a proposal when only two weeks earlier in a letter to you dated September 26, 2003 he disapproved the request of the majority of the CCC (9 out of 11) seeking his approval to allow merger discussions between the CCC Executive Committee and the USWA. He based his denial of this request on the fact that the Grand Lodge Officers had voted unanimously to pursue merger negotiations with the IBT. To imply that it was Acting President Simpson that made the proposal in October is ludicrous.

The fact that I raised the issue is further supported by a letter I wrote on November 16, 2003 of which Acting President Simpson, among others, was copied. In that letter it was stated,

"With the recent events happening in Canada, I requested of Acting President Simpson in a conversation with him at the IA, approval to meet with the Steelworkers, the CAW and any other Union interested in merging with the BMWE in Canada to discuss and formulate merger agreements, all of which would be forwarded to the Canadian membership for their final decision of who they consider the best possible merger partner to be. This proposal was rejected by Acting President Simpson who again suggested negotiating a merger deal only with the Teamsters."

Acting President Simpson never responded to the facts presented in that letter.

One must question why he would reject such a proposal? Why would he allow and endorse another Union to "Raid" the BMWE membership in Canada? Why would he resort to such seditious activity to the demise of the BMWE in Canada?

If this action was taken to, "... provide a safe haven for our members while we negotiate a merger agreement with the International Brotherhood of Teamsters", as Acting President Simpson wrote in his letter of October 14, 2003 addressed to Brothers Bowden, Dawson and myself, or if it was, "... to protect the integrity of the BMWE in Canada ...", or to, "... insure an orderly process in which all Canadian BMWE members will be guaranteed the right to VOTE on a merger ..." as Acting President Simpson, IBT President Hoffa, and Teamsters Canada President Bouvier wrote in their letter of October 14, 2003 to the Canadian membership, or if it was considered to be, "... the most prudent and proper method to assure BMWE members have an opportunity to vote on a merger agreement ...", as Acting President Simpson wrote in his letter of November 18, 2003 again, addressed to the Canadian membership, one must question; Where's the safe haven? Where's the orderly process guaranteeing BMWE members their right to vote? How has the integrity of the BMWE in Canada been protected? Is Acting President Simpson still considering this to be the "most proper and prudent method to assure BMWE members have an opportunity to vote on a merger ..."? Not likely. Once another bargaining agent is certified, we are no longer BMWE members.

You seem to suggest that I and other System Federation Officers have chosen not to take action against the Steelworkers raid and you find this very unfortunate and unacceptable. Certainly, I and I believe other officers felt that with the above noted letters written by our Acting President that Grand Lodge had some inclination of what they were getting themselves into. While I certainly did not agree with Grand Lodge officers endorsing the seditious activity of allowing another Union to raid the Canadian membership, the commitments and guarantees Acting President Simpson made to the membership did provide some level of comfort. Clearly, if Acting

President Simpson and Grand Lodge officers were serious about guaranteeing the membership a right to vote on a merger, if they were serious about protecting the integrity of the BMWE in Canada and if they were serious about protecting the interests of the members, other avenues would have been explored and pursued. It was only in the recent past that action had to be taken to fend of the CAW's raiding attempts. Did we fend off that raid by allowing another Union to fight our battle?

It was not long after Acting President Simpson made commitments and guarantees to the membership that they soon turned out to be false promises. When the Teamsters applied to the CIRB and it became evident that Grand Lodge would not oppose and in fact supported the application it became apparent that in my capacity as System Federation General Chairman of the Canadian System Federation that the most prudent and proper method to protect the interests of the membership, the integrity of the BMWE, and the right of the membership to vote on a Union of their choosing was to oppose the Teamsters application. How else could the broken commitments and promises made by our Acting President be resurrected? How else could I uphold the obligation and promise I made just last July "to perform all the duties of my office as laid down in the Constitution and By-Laws of the Brotherhood"? Sedition and seditious activity is a violation of the Grand Lodge Constitution and By-Laws and it is inherent that all officers work towards protecting the Brotherhood, not to work to destroy it.

I firmly believe that the membership should be given their democratic right to choose freely who will represent them without the associated risks of splitting the membership in a Board ordered vote. If you or other Grand Lodge officers feel that such a fundamental and democratic choice should not be left with the members, are willing to gamble and look forward to the risks associated with a CIRB decision, I could only say that it is certainly a sad day in the history of this once proud Brotherhood.

Sincerely

John J. Kruk
System Federation

General Chairperson

cc: Grand Lodge Officers

All System Officers in Canada

K. Georgetti - CLC President

J. Taggart - CIRB Senior Labour Relations Officer/Registrar

L. McBrearty - Canadian Director USWA

R. Bouvier - President Teamsters Canada

CSF Local Lodges