



CANADA

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Mr. Jim Watson
 Ottawa Mayor

Mr. Allan Hubley
 Ottawa City Councillor and Transit Commission Chair

City of Ottawa
 110 Laurier Avenue West
 Ottawa, ON K1P 1J1

Montreal, September 24, 2021

Dear Mayor Watson, Dear Councillor Hubley,

Let me begin by thanking you for the opportunity to meet with you yesterday, together with all the partners in charge of providing Ottawa with the world-class LRV system its citizens deserve. We appreciated your frankness and the very legitimate questions you have raised. I speak for the entire leadership Alstom to say that we are deeply embarrassed by the issues that have affected the operation of the O-Train Confederation Line 1. We entirely share your disappointment and we fully understand how difficult this situation is for the City of Ottawa, for the users and for you personally. Along with several members of my senior leadership team, I connected to the Transit Commission meeting that took place on September 20, 2021, and I am aware of the media reports and debates occurring at City Hall around this issue. I want here to unequivocally reaffirm our full commitment to resolve this situation, restore safe operations and address the issues at their root.

As I have pointed out yesterday, I am afraid that our position as a 2nd rank subcontractor somewhat affects our ability to be visible. This sentiment grew upon hearing inaccurate comments made, and therefore I wish, by this letter, to provide you with a factual view of our engagement and mobilization, and to share our plan to return the system to its level of expected reliability.

Alstom senior management and global network. Please be assured that the situation in Ottawa is a key topic in all discussions "in the board rooms" both at region and at group level. Since the August 8th incident, the issues are closely and personally being followed by members of Alstom's Executive Committee, including myself, Mr. Di Perna (Alstom's Chief Operating Officer), Mr. Fitoussi (Alstom's global President of Rolling Stock & Components Development & Operations), Mr. Byrne (Alstom's global President of Services), and Mr. Castres-Saint-Martin (Alstom's global Chief Technology Officer). Our Chairman and CEO, Mr. Poupart-Lafarge is fully apprised of the situation and has granted full power to my colleagues and I to act in this matter.

On daily meetings at the region level and on weekly meetings with the extended group, we are holding the teams accountable and are driving the mobilization and resource efforts globally, including the full participation of our best



technical experts from our bogie centre of excellence in Le Creusot. You would appreciate that given the complexity of the matters and the difficulties that continue to affect international travels in this global pandemic, the best, if not the only, way of resolving the issue is not only to mobilise our best people on site but also to leverage the global expertise and breadth of the group, and drive a strong cadence on progressing remediation actions and root cause investigations, which is what we are ensuring every day.

Investigation support and cooperation with the Transportation Safety Board (TSB). We will never compromise on safety of passengers, employees, or equipment, and have always, and will continue to take part and support any investigations, where our participation is relevant. Following the incident on August 8th, Alstom immediately mobilized on site a seasoned Train System & Safety expert, supported in Ottawa by a Project Engineering Manager, our Regional Quality Assurance Director, as well as remotely by experts from our site in Le Creusot, to present Alstom's findings to the TSB during a meeting that took place on September 2, 2021, in the presence of RTG and RTM.

We are continuing to fully collaborate with the TSB regarding the September 19, 2021 derailment and we were finally able to visually inspect all four (4) gearbox assemblies, after being given access to the vehicle on Thursday, September 23rd.

Operations support. Alstom added very solid operations maintenance skillsets, capacity and expertise following the acquisition of Bombardier Transportation; the former company has and continues to successfully manage several systems in North America, including in Toronto and Montreal. Alstom has taken advantage of this addition for Ottawa, and our regional Services team, led by Ms. Josée Ouellet, are working on a plan to bring our operations up to Alstom's world-recognized standards, as they were before the August incident occurred. These changes will now obviously be accelerated and strengthened.

- Contrary to what has been reported, we did mobilize significant additional resources following the August 9th accident, namely six (6) operations leaders from Metrolinx (Toronto) and Exo (Montreal), in addition to three (3) resources from the global Services team who were deployed to provide added support and expertise. Together, these experts – an A team – have a combined 200 years of service operations experience.
- Twelve (12) expert technicians were mobilised to be on the trains to provide immediate assistance should there be a vehicle-related service-impacting event during peak service.
- We have also brought in a dedicated manager with 21 years of operations proven experience to organise and oversee the line that will perform the necessary modifications on the fleet.
- Senior leaders of our Services teams, including Ms. Josée Ouellet, have been on site almost continuously to ensure adequate leadership and decision-making power to progress.
- I have myself visited the Belfast Maintenance & Storage Facility (MSF) with four (4) senior members of my staff and met with the Ottawa team last week.
- Ms. Ouellet will again be in Ottawa next Monday, September 27th, and Mr. Matt Byrne, our global President of Services, will be in Ottawa middle of next week to bring additional oversight and support.

Moving forward. I have shared with you the change and additional elements that we will implement within the shortest possible timeframe and together with RTM and RTG, to ensure that the latest incidents do not happen again and to regain the confidence of the general public in the LRT system. The plans will be detailed in the coming days and transparently shared with your teams; I would like to summarise the main directions of this plan.



- 1) We will uplift the competencies of the Alstom team on site, both in terms of site leadership and supervision at the MSF, and in terms of a better coverage during all shifts.
- 2) We will separate maintenance and modification activities. This will enable our maintenance team to focus on day-to-day service levels while our Rolling Stock organisation executes the vehicle modification program to improve fleet performance. With the acquisition of Bombardier Transportation, Alstom has access to extended manufacturing capacity in proximity, allowing Alstom to bring additional support to Ottawa and/or move some vehicles out of Ottawa and into these facilities. We are evaluating this approach with respect to accelerating the commissioning of Phase 2 vehicles. We are currently finalizing these scenarios and will share them with you by the end of next week.
- 3) We will be making important improvements in processes and tools, valid both for the vehicle and the infrastructure. We are currently conducting a complete analysis of the work instructions, tools, methods, training and certification, and we are strengthening our supervision capabilities, quality controls and maintenance methods. We will also work with RTG and RTM so that each and every element currently defective in the MSF, which are contributors to our below-standard maintenance performance, (mobile vehicle, wheel lathe, electrification, lifting jacks, paint booth, yard automatic train control, etc.) get fixed.
- 4) Finally, we will work on regaining a professional and productive work environment at the site and rebuild serenity. The last 18 months have been full of extraordinary challenges where the team needed to get a new system to work, solve teething issues while facing all the known challenges related to COVID-19 and especially the difficulties to mobilise additional staff (travel restrictions to Canada, lock-downs in Ontario). The teams are exhausted and demoralised by the climate in which they are working. We trust that this injection of fresh resources will help, and we are committed to doing our part to build a transparent and trustful culture. We kindly ask for your support to ensure that all parties involved also adopt this mindset, as we are convinced that the above actions will only work if we are collectively able to tone down narratives and get people to work together.

To conclude, we acknowledge that the events that have occurred recently on this project are abnormal and do not correlate with the quality of products and services that Alstom is known for in the industry. We are determined to get to the bottom of this, find and address the root cause of these problems, and return the system to a level of expected reliability. We are mindful that only results, not words will count.

Sincerely,

Michael KEROULLE
President & CEO Alstom Americas

Cc: Mr. John Manconi
Mr. Steve Kanellakos
Mr. Nicholas Truchon
Mr. Mario Guerra