

Memorandum of Settlement

dated

December 5, 2007

Between

Canadian Pacific Railway (CPR)

and the

Teamsters Canada Rail Conference (TCRC)

Concerning

**Application of wage increases and other changes
covering the years 2007-2011**

I – TERM, WAGES & BENEFITS

A. TERM OF CONTRACT

a) The Collective Agreement between the Company and the Teamsters Canada Rail Conference will be renewed for a period of five years commencing January 1st, 2007.

- Replace articles in the Consolidated Collective Agreement (currently 83.01 Trainmen East & West and 40.01 Engineers East & West) with the following:

“Agreement is effective <ratification date> and supersedes all previous Agreements, rulings or interpretations which are in conflict therewith. It will remain in effect until December 31, 2011 and thereafter until revised or superseded. In accordance with the Canada Labour Code, S. 49 (1), this Agreement will be subject to four months written notice preceding the date of expiration of the term, from either party to the Agreement, of its desire to revise, amend or terminate it.

SIGNED AT _____ this _____ day of _____, 2007.”

B. WAGES

a) Effective January 1st, 2007, an increase of 3% on all basic hourly, daily, weekly and mileage rates of pay.

b) Effective January 1st, 2008, an increase of 4% on all basic hourly, daily, weekly and mileage rates of pay.

c) Effective January 1st, 2009, an increase of 3% on all basic hourly, daily, weekly and mileage rates of pay.

d) Effective January 1st, 2010, an increase of 3% on all basic hourly, daily, weekly and mileage rates of pay.

e) Effective January 1st, 2011 an increase of 3% on all basic hourly, daily, weekly and mileage rates of pay.

f) Effective January 1st, 2008, the yard shift differential will be increased to \$0.75 per hour for afternoon shifts (commencing between 1430 and 2229) and to \$1.00 per hour for evening shifts (commencing between 2230 and 0629).

g) Effective January 2, 2009 increase all yard rates by \$0.25 per hour.

h) Effective January 2, 2010 increase all yard rates by \$0.25 per hour

i) Include a letter to provide for a \$2000 lump sum payment for employees hired subsequent to January 1, 2008 upon attaining the job rate after 21 months.

- Refer to Letter – New Hire Lump Sum – Attached as appendix 1.

j) Add a new clause to the provision for Train Length Allowance and the provision for Length of Run Allowance as follows: “This allowance does not apply to employees hired subsequent to January 1, 2008.” *Clause to be added in the appropriate Consolidated Collective Agreement article currently (Trainmen West 1.15 & 1.23, Trainmen East 1.09 & 1.17, Engineers East 1.13 & 1.14, Engineers West 1.16 & 1.17).*

C. PERFORMANCE INCENTIVE PROGRAM

a) Include a letter to provide for an annual incentive program to commence no later than July 1, 2008 with a maximum payout of 5% annually. Pay out to be considered pensionable as of the effective date on a go forward basis.

- Refer to Letter – Performance Incentive Program – Attached as appendix 2.

D. PENSION

(a) Effective January 1, 2008 the pension formula shall be increased for employees who are represented by the Union to 1.8% of the members Highest Plan Earnings up to the Average Yearly Maximum Pensionable Earnings (YMPE) with no increase in pension contributions.

(b) These provisions will not form part of the Collective Agreement and are subject to the approval of the Pension Committee and the Board of Directors.

E. BENEFITS

1) General

a) Establish a joint Union/Management Committee to monitor the management and communication of benefits.

- Refer to Letter re: Benefits Union/Management Committee attached as Appendix 3.

b) Effective the first of the month following ratification, modify the plan language to permit for the co-ordination of benefits where two CP employees are part of the benefits plan.

c) Immediately upon ratification of this settlement, update the appropriate documents to reflect the following benefit terms.

2) Life Insurance & Disability Benefits

The provisions of the Life Insurance and Disability Benefits Policy for the TCRC are amended to conform to the following in respect of employees covered by this Memorandum of Settlement:

Life Insurance

(a) Effective the first of the month following ratification, the group life insurance coverage will be increased from \$37,000 to \$38,000 for employees who have service with the Company on or subsequent to that date.

(b) Effective January 1, 2009, the group life insurance coverage will be increased from \$38,000 to \$39,000 for employees who have service with the Company on or subsequent to that date.

(c) Effective January 1, 2010, the group life insurance coverage will be increased from \$39,000 to \$44,000 for employees who have service with the Company on or subsequent to that date.

(d) Effective January 1, 2011, the group life insurance coverage will be increased from \$44,000 to \$45,000 for employees who have service with the Company on or subsequent to that date.

(e) Effective the first of the month following ratification, the benefit in the case of work related accidental death will be \$150,000.00 death payment.

- Replace the comparable articles in the Consolidated Collective Agreements (Articles 69.01(1)(a-b) Trainmen East & West and 31.01(1)(a-b) Engineers East & West) with the following:

“(a) Group Life Insurance coverage will be increased for employees who have compensated service with the Company according to the following schedule, providing they are qualified under the provisions of the Benefit Plan:

Effective first of the month following ratification	\$38,000.00
Effective January 1, 2009	\$39,000.00
Effective January 1, 2010	\$44,000.00
Effective January 1, 2011	\$45,000.00

(b) Effective the first of the month following ratification, the benefit in the case of work related accidental death will be \$150,000.00 death payment. The increases in (a) above will apply to other provisions of the AD&D Benefit Plan.”

3) Disability Benefits

a) Effective the month following ratification, the maximum benefit will be increased to \$600.

b) Effective January 1, 2009, the maximum benefit will be increased to \$610.

c) Effective January 1, 2010 the maximum benefit will be increased to \$620.

d) Effective January 1, 2011 the maximum benefit will be increased to \$640.

4) Dental Plan

The Dental Plan Agreement for the Operating Railway Unions (as amended from time to time) will be further amended as follows in respect of employees covered by this Memorandum of Settlement:

- a) Modify the provision concerning covered expenses as follows:
 - i) Effective the first of the month following ratification, treatment which commenced on or after January 1, 2008 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2008.
 - ii) Effective with treatment which commenced on or after January 1, 2009 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2009.
 - iii) Effective with treatment which commenced on or after January 1, 2010 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2010.
 - iv) Effective with treatment which commenced on or after January 1, 2011 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2011.
 - v) For the Province of Alberta, the Fee Guide stated above shall be the Alberta Representative Guide and will be made available to the TCRC Membership as published yearly by the Company.

- b) Effective the first of the month following ratification, increase the annual maximum from \$1,300 to \$1,425.

- c) Effective January 1, 2008 reduce the employee paid deductible by \$35 and establish a co-pay provision where the employee will pay 10% of the premium.
- Refer to Letter – Co-pay Clarification attached as Appendix 4.

- d) Employees hired subsequent to January 1, 2008 shall become an eligible employee for dental benefits on the first day of the calendar month next following the date on which the employee completes six months of service. An employee who has Service for a regular or partial eight-hour shift for 126 days will be deemed to have completed 6 months of Service, and with respect to employees covered by spare board provisions, days worked and/or available will be deemed to be days of Service.

e) Effective the first of the month following ratification, an eligible employee whose coverage is terminated due to layoff may, at the employee's option, continue coverage for a period of 12 months following the end of the month in which the lay-off commences upon remitting monthly to the Employer an amount equal to the estimated cost of the Dental plan as determined by the Service organization. To exercise this option, the employee must notify the Company of their desire to continue benefits upon layoff and make arrangements for payment.

f) Effective January 1, 2010 increase the annual maximum from \$1,425 to \$1,525.

5) Extended Health & Vision Care Plan

The Extended Health Care Plan Agreement for the Operating Railway Unions dated December 10, 1985 (as amended from time to time) will be further amended in respect of employees covered by this Memorandum of Settlement as follows:

a) Effective the first of the month following ratification make the following changes in regards to paramedical services:

- 1) Add the coverage of a licensed Massage Therapist with a maximum of \$500.00 annually for this discipline.
- 2) Maintain the coverage of a Chiropractor, with a maximum of \$500.00 annually for this discipline.
- 3) Combine the coverage of speech therapists, osteopaths, podiatrists, Naturopath, acupuncturist, chiropodist and the Victorian Order of Nurses (VON) so that these disciplines have an annual combined maximum of \$1,500 and no one discipline will exceed \$500 annually.

Amend language within article 31 of the Locomotive Engineers East and West Collective Agreement, and Article 69 in the Conductor Trainman Yardman East and West Collective Agreement to reflect:

“(2) (d) Effective the first of the month following ratification Paramedical coverage will include the service of practitioners licensed as speech therapists, osteopaths, podiatrists, Naturopath, acupuncturist, chiropodist and the Victorian Order of Nurses (VON). The combined annual maximum of all the above listed disciplines is \$1,500.00 and no one discipline will exceed \$500 annually.

The annual maximum for services of chiropractors is \$500.00.

The annual maximum for services of a Licensed Massage Therapist is \$500.00, and requires referral by a physician.”

b) Effective January 1, 2008 reduce the employee paid deductible by \$25 and establish a co-pay provision where the employee will pay 10% of the premium.

- *Refer to Letter – Co-pay Clarification attached as Appendix 4.*

c) Effective the first of the month following ratification, the maximum amount for chargeable expenses for vision care will be increased from \$200.00 to \$225.00 in any 18 month period for persons under the age of 18 and in any 24 month period for persons age 18 and over.

d) Effective January 1, 2011, the maximum amount for chargeable expenses for vision care will be increased from \$225.00 to \$250.00 in any 18 month period for persons under the age of 18 and in any 24 month period for persons age 18 and over.

e) Employees hired subsequent to January 1, 2008 shall become an eligible employee for extended health & vision benefits on the first day of the calendar month next following the date on which the employee completes six months of service. An employee who has Service for a regular or partial eight-hour shift for 126 days will be deemed to have completed 6 months of Service, and with respect to employees covered by spare board provisions, days worked and/or available will be deemed to be days of Service.

f) Include a letter to review the potential for the implementation of a Drug Card on a cost neutral basis.- *Refer to Letter re: Drug Card attached as Appendix 5.*

6) Health Spending Account

a) Include a letter to address concerns regarding the provision of the Health Spending Account in Quebec to retirees under the age of 65.

- *Refer to Letter - Health Spending Account – Quebec attached as Appendix 6.*

7) Automobile Mileage Allowance

a) Effective first of the month following ratification increase the automobile mileage allowance to \$0.33/km.

b) Effective January 1, 2011 increase the automobile mileage allowance to \$0.35/km.

- *Modify the amounts in the Consolidated collective agreement article currently Trainmen West 1.20 & 78.15, Trainmen East 1.14 & 78.15, Engineers East/West 5.02(4) & 39.15.*

II - WORK RULES

A- WORK/LIFE BALANCE

1) Crew & Train Line ups

a) Include a new letter for the establishment of a subcommittee of the CMA committee to address the issue of crew lineups and train lineups.

Intent: To establish a process under the CMA Committee to form a subcommittee to review the accuracy of Train and Crew Line ups, by establishing metrics for tracking.

- Refer to Letter - Line ups attached as Appendix 7.

b) Include a new letter to address concerns regarding the ability of employees to contact a crew dispatcher in a timely fashion, the calling of crews at the away from home terminal by the automated crew calling system, as well as ensuring that weekly crew changes are completed in a correct and timely manner.

- Refer to Letter - Crew Management Centre attached as Appendix 8.

2) In and off in 10 hours

a) Add a letter to provide for: an \$80NR payment for crews who provide notice for rest after 10 hours, are relieved enroute, are not relieved by a specified time at a given location (based upon the amount of time it would take to transport the crew to the objective terminal within 10 hours), and do not reach the objective terminal within 10 hours; and to provide for penalty rest when crews who provide notice for rest after being 10 hours on duty are over 10 hours on duty.

- Refer to Letter - In and off in 10 Hours- Penalty attached as Appendix 9.

b) Add a new letter confirming the Company's commitment to have crews who give notice for rest to be in and off duty within 10 hours and in order to better track this issue, modify the tie up screens.

Intent: Provide a tool to enable improved compliance with 10 hour rule by making changes to be made to the tie-up screen to ensure information is given as to whether employees gave proper notice of rest

- Refer to Letter- In and off in 10 Hours – Tracking attached as Appendix 10.

- Archive current rest letter found in the collective agreements at Engineers West Page 76, Trainmen West Page 99, Engineer East Page 84, and Trainmen East Page 102

3) Compassionate Leave

Intent – Include provisions in the Collective agreement to provide for leave on a compassionate basis for employees to deal with family emergencies.

a) Include a letter in the collective agreement to provide the ability to make alternative scheduling arrangements on a compassionate basis for employees required to address family issues (e.g. eldercare)

- Refer to Letter – Family Care attached as appendix 11.

b) Add a new article to the consolidated collective agreement to enable employees to take leave to manage urgent and personal affairs, such as immediate family problems in exceptional circumstances, for up to three months with pay in the form of a repayable loan.

“Article XX Compassionate Leave

xx.01 Compassionate leave may be provided to employees to provide time off to manage urgent personal affairs, such as immediate family problems in exceptional circumstances, and will not apply to employee illness, injury, etc., nor will it apply when an employee has unused annual vacation entitlement. Compassionate leave will not replace existing benefits, programs or government programs.

xx.02 Compassionate leave may be provided under the following conditions:

1. A maximum period of leave of three (3) months duration.
2. Payment in the form of a repayable loan will be made as follows. For yard employees, payment will be the equivalent of five basic days at the employee’s applicable rate for each week of personal leave. For assigned and unassigned road service employees, the weekly earnings will be based on their Annual Vacation rate.
3. Re-payment of loan at a minimum 10% of gross earnings per pay period. Full payment must be made over a period of no longer than two (2) years.
4. A guarantee that such loan will be repaid in the event of the employee’s death, dismissal, resignation or separation/retirement. (An employee must sign an appropriate document outlining these terms).
5. A ceiling on the number employees on personal leave at any one time. (This will be determined by the Company).
6. Benefits will remain in effect during the leave period.
7. The leave will not be considered as pensionable service or CCS.
8. Applications for such personal leave to be made through the Vice President of the TCRC.
9. Such personal leave to be subject to approval by the AVP, Industrial Relations.

xx.03 Recognizing that this is a new provision, the parties maintain the flexibility to modify the terms of this article by mutual agreement to ensure it fulfills the mandate.”

4) Home Terminal Rest

a) Include a letter to modify the process regarding board placement at the Home Terminal to provide Pool employees with additional flexibility and potentially extend their time between certain trips.

- Refer to Letter – Home Terminal Rest attached as appendix 12.

5) Rest after Instruction classes (Other than RQ Training)

a) Provide employees with the ability to book rest after other than RQ training.

Intent: Provide employees called for a class other than RQ, have the ability to book rest following the class to ensure their fitness for duty.

- Add a new provision in the Other than RQ training article in the Consolidated Collective Agreement (currently articles Engineer's 5.10 and Trainmen 25.09(e) 25.13(w) as follows:

“Recognizing employees are expected to attend instruction sessions for other than RQ during their off duty hours, to ensure they are rested for work, employees will be entitled to book between one and ten hours rest at the conclusion of the instruction session. This provision shall remain in effect for the duration of the contract.”

6) Locomotive Engineer Extra Board

a) Update the language of the Locomotive Engineer Extra Board to reflect current handling and add a new rule for the handling of Trainmen not set up as Locomotive Engineers withheld from the working list in anticipation of being called later as a Locomotive Engineer as follows: that they must be advised of being withheld at time of call and will have the ability to book up to 10 hours rest upon release if held for greater than 18 hours.

- Replace appropriate clause in Consolidated Collective agreement (currently article 76 Trainmen East and West ,Engineers archived book) with the following:

“A Locomotive Engineer Extra Board (LEEB) will be established for the calling of qualified Locomotive Engineers, who are not working as such, under the following conditions:

- (1) Qualified employees not holding regular positions of Locomotive Engineer who desire to perform work on a single trip basis will indicate their desire to do so in writing at each general advertisement of assignment or immediately when they are no longer able to hold the position of Locomotive Engineer. They will be placed onto the LEEB, and they will take such work when called.
- (2) Employees on the LEEB will be called on a seniority basis consistent with Local Calling Rules for that Terminal.

- (3) A qualified Locomotive Engineer who is first out on the LEEB and not available for service when called will not be subject to a call as a Locomotive Engineer for 12 hours.
- (4) Miles earned when called from the LEEB are chargeable miles in the same manner as for any other trip for the purpose of calculating an individual's maximum monthly mileages and for any guarantee earnings but will not be added to Trainperson/Conductor's pools or Spare board for the purpose of regulating their size.
- (5) If the LEEB is exhausted and all other existing avenues of providing relief from the ranks of working Locomotive Engineers have also been exhausted, qualified Locomotive Engineers not working as such and who are not on the LEEB will be called in inverse order of seniority. In this instance, all miles earned by Trainpersons/Yardpersons working as an Engineer on a single trip basis will be added to the Trainperson's spare board miles for the purpose of regulating its size.
- (6) If it becomes necessary to withhold a qualified Locomotive Engineer not working as such from their regular position in order to protect work as a Locomotive Engineer for an *ad hoc* trip, they will be paid not less than the earnings they would have made on their regular position, whether or not they are used. Payments made under the provision of this clause will be used to make up any guarantee to which an employee may be entitled. Earnings, converted to miles, are chargeable for the purpose of calculating an individual's maximum monthly mileage.
- (7) Employees withheld from the working list in anticipation of being called later as a Locomotive Engineer may be so withheld when their regular turn presents itself for call, and they will be so advised. Employee(s) withheld in anticipation of being later called as a Locomotive Engineer are subject only to call for Locomotive Engineer work during the period they are so withheld. Should they be released without being called as a Locomotive Engineer they will immediately be advised. In instances when they have been withheld for greater than 18 hours and not called, when released the employee will have the ability to book up to 10 hours rest and will hold their turn if it is in.

7) Annual Vacation

a) Modify language to reflect that employees who are entitled to one week vacation must take it in one continuous period and an employee who is entitled to two weeks vacation or more may take such vacation in weekly portions.

- *Modify the appropriate clause in the appropriate article in the Consolidated collective agreement (currently Trainmen East/West 67.18/ Engineers East/West 17.19) to reflect the following:*

“Engineers - Employees entitled to 1 week vacation must take such vacation in a continuous period. Employees entitled to two or more weeks vacation may, provided proper application is made prior to January 15th, take their vacation in weekly increments.

Trainmen West

Note: Employees entitled to 1 week vacation must take such vacation in a continuous period. An employee entitled to 2 or more weeks vacation may, provided proper application is made prior to January 16th, and there is no additional expense to the Company, take such vacation in weekly portions. Where periods are split, only the portion indicated as the first choice will be considered as preference in order of

seniority and remaining portion(s) of vacation will be allotted in order of seniority after all other employees have been allotted their first choice of vacation.

Trainmen East

Note: Employees entitled to 1 week vacation must take such vacation in a continuous period. An employee entitled to 2 or more weeks vacation may, provided proper application is made prior to January 16th, and there is no additional expense to the Company, take such vacation in weekly portions. “

b) Include a letter in the agreement which provides for additional vacation slots during peak summer vacation periods.

- Refer to Letter – Annual Vacation – Peak Vacation attached as Appendix 13.

c) Modify the terms of the collective agreement specifying that through the annual vacation bulleting process, employees may schedule no more than their maximum weeks of annual vacation, minus one week, during the summer prime time vacation period. There is no limitation outside of this prime time period.

- Add a new note to the clause governing application for vacation in the Consolidated collective agreement (currently Trainmen East/West 67.18 /Engineers East/West 17.19) to reflect the following:

“Note: Excepting those employees only entitled to one week of annual vacation, employees may schedule no more than their maximum weeks of annual vacation, minus one week, during the summer prime time vacation period.”

8) Earned Days Off/ Banking Payments

a) Include a letter in the agreement outlining a provision for unpaid earned days off (EDOs) and the banking of non-chargeable miles.

- Refer to Letter – Earned Days off/Banking Non-Chargeable Miles attached as Appendix 14.

B – WORKING CONDITIONS

1) Yard Lunch Rooms

a) Add a new clause outlining the requirement for and conditions of Yard Lunch Rooms.

Intent: A clause outlining the requirement for and condition of Yard Lunch Rooms. There is no intention to reduce existing facilities and amenities where they currently exceed these standards.

- Amend appropriate clause in the Consolidated Collective agreement (currently clause 57.03 Trainmen East and West and add new article to Engineer’s agreements) as follows:

“Yard employee lunch rooms will be provided at all locations where yard crews are regularly assigned. Such facilities may be CPR owned, or be customer facilities, or other suitable facilities arranged with another third party. In all cases, these lunch rooms will be equipped with a refrigerator, a microwave oven, soap, towels and potable water. Lunch rooms will be kept in a clean and sanitary condition.

Job briefings will not be conducted in the lunch room at times when other crews are taking their lunch break. At locations where multiple yard and or road crews report for duty at the same time a crew is on lunch a separate area will be designated for job briefings and other job related activities.”

2) Bunkhouse

a) Include a letter in the collective agreement to clarify the role of Bunkhouse committees.

- *Refer to Letter – Bunkhouse Committee - attached as appendix 15.*

b) Effective upon ratification, update the standards for resthouses. Note: Where changes are required, the Company commits to have them implemented within 12 months of ratification.

c) Rewrite and simplify the article for rest house facilities.

d) Include a letter regarding provision of CPR computer network and televisions in rooms at resthouse facilities.

- *Eliminate the current article in the Consolidated Collective Agreement (currently Article 33 Trainmen East/West & Article 16 Engineers East/West) and replace with the following:*

1) The Company will provide rest house facilities at the away-from-home terminals for employees covered by the terms of this Collective Agreement.

2) If a rest house facility is insufficient to meet normal requirements, the Company will take immediate action to increase the necessary accommodations to the extent required.

3) If a rest house facility is temporarily insufficient to meet requirements due to any abnormal situation such as an accumulation of crews beyond the capacity of the facility, the Company will provide, at its expense, whatever necessary additional accommodation is required in order that employees can get adequate rest and properly prepare for work.

4) The Company may elect to provide suitable sleeping accommodation in a hotel, motel or other suitable place located convenient to the point where employees regularly go on and off duty. These rest facilities will be consistent with the standards necessary to ensure the employees can obtain adequate rest and properly prepare for work. If other than temporary these rest facilities will contain cooking and eating facilities.

Temporary accommodation may be provided during renovations of existing rest house, when building a new rest house or if a resthouse is agreed to be unsuitable for any reason. The Company may elect to provide suitable temporary accommodation in a hotel, motel or other suitable place located convenient to the point where employees regularly go on and off duty. When temporary accommodations are provided and do not include cooking and eating facilities, they will be located within walking distance of a suitable restaurant or transportation to a

suitable restaurant will be provided. When cooking facilities are not provided in these temporary accommodations under this clause, each crew member will be given a meal allowance of \$12 for every 8 hours, or part thereof. Crews will not be expected to stay in temporary accommodations longer than six months unless otherwise mutually agreed.

Passenger Employees will be provided with suitable sleeping quarters at away-from-home terminals convenient to passenger stations.

If there is disagreement between the parties in regard to the suitability of accommodation other than in a rest house, such disagreement will be expedited through the grievance procedure up to and including the submission to arbitration for final and binding resolution.

5) At terminals where circumstances warrant, arrangements will be made between the Local Union Representative and the designated Company Officer for the provision of transportation for employees:

1. Between the rest house and/or point of reporting for duty and the point of departure,
2. Between the point at which the train is yarded, the shop track and/or the change off point for run through trains, and the point of reporting off duty and/or the rest house.
3. To or from the point where employees take charge of the locomotive or train,

6) Where employees are required to travel between yards or stations within larger terminals such as St. Luc-Montreal, Toronto Freight Yard-Toronto Station, Winnipeg Freight Yard-Winnipeg Station, Alyth-Calgary Station, arrangements will be made between Local Union Representatives and the designated Company Officer for the provision of transportation between the points concerned along with an equitable travel allowance provided payment of such allowance does not result in duplicate payment.

7.1) Rest house facilities will be equipped with the following:

1. Sleeping, dining, kitchen, lounging, TV's (cable or satellite service), washroom facilities (including showers and toilets) and drying room facilities. Segregated male and female washroom facilities or unisex single use washroom facilities will be provided in accordance with federal regulations.
2. Air conditioning
3. A common room separate from bedrooms to allow for the hanging and drying of outerwear and work clothes, individual food storage lockers, fire exits and alarm system.
4. Single occupancy bedrooms, with a minimum floor area of eighty (80) square feet and will include the following items:
 - Bed
 - Mirror

- Bedside table
- Chair
- Electrical outlet
- Telephone with adjustable ring volume and illuminated number pad.
- Clothes hanging facilities and area to place grip
- Adequate lighting and reading lamp
- Black out window blinds
- Solid core wooden door with lock.

7.2) Beds will be oversized singles (at a minimum) with box spring and spring-filled mattress with appropriate bedding. Linens will be changed after each occupancy, and bedding will be changed and cleaned at regular intervals.

7.3) Kitchen facilities will be equipped with refrigerator, adequate cooking stove(s) and oven facilities; microwave oven(s), utensils; dishes; soap and towels and appropriate ventilation.

7.4) Rest house facilities will be maintained in a clean and sanitary manner by personnel other than Engineers or Trainmen/Conductors. Employees will cooperate in keeping rest houses in a clean and orderly condition. Employees using cooking utensils and dishes will be responsible for leaving them in a clean condition.

7.5) When practicable, rest houses will be located in a quiet area, convenient to the point where employees usually report on and off duty.

8) In addition to the above, each rest house that is newly constructed or undergoes a major renovation will meet the following minimum standards.

- Bedrooms will be built to a minimum SCT (Sound Coefficient Transmission) rating of 50 Decibels.
- All bedrooms will contain at a minimum double pane opening sash windows.
- Each room will have individual heating and cooling controls.
- In all cases where major renovations or new facilities are being built or when a third party facility is being considered, Local Union representatives shall meet with the Company to review location, standards and design. Such discussions will include a review of the proximity to railway tracks or other industrial or commercial activity and determination of transportation, floor coverings, furnishings and other amenities to be supplied.

8.5) Resthouses undergoing major renovations and newly constructed resthouses, will be supplied with a private bathroom with a toilet, sink and mirror in each sleeping room. In cases where the Company can demonstrate they are unable to install bathrooms in resthouses undergoing major renovations for structural reasons, for issues relating to availability of utilities, or if such a change would be cost prohibitive (it would increase the cost of the proposed renovation by 50% or more), this requirement will not be applied.

9) Specific concerns that the Union may have with respect to any rest house facility, shall be advanced to the designated Company Officer by the Local Chairman or his designate. The designated Company Officer shall investigate to determine what areas, if any, may require attention and where necessary, correct the situation and advise the Local Chairman and/or his designate, in writing of the results of the investigation. Unresolved issues or any disagreements on the suitability of any accommodation may be brought to the attention of the General Chairman and the Assistant Vice President, Operations for further handling which may proceed to arbitration for final settlement should it become necessary.

December 5, 2007

Mr. D. Able
General Chairman

Mr. D. Olson
General Chairman

Mr. T. Beaver
General Chairman

Mr. D. Genereux
General Chairman

Dear Sirs;

This has reference to our discussions regarding resthouses and, in particular, your demand to have CPR network available at all resthouses and your request for televisions in each room.

In regards to the CPR network, while the Company could not accede to your request given that it was not practical in all situations, it was noted that at the vast majority of locations, CPR computer terminals on the CPR Computer network were currently located at the resthouse in addition to where employees report for duty. The Company confirmed that its intent was not to remove computer terminals at locations where currently available at resthouses and, where practicable, to provide such terminals at newly constructed and renovated resthouses.

In regards to your request for televisions in each room, given that it was not practical at all locations and the current high ongoing costs associated with programming at this time the Company could not agree. The Company did commit, however, that in newly constructed or renovated rest houses, the issue could be reviewed and where mutually agreed, televisions would be provided. In such cases, these televisions would be headphone capable.

Yours truly,

J. Bairaktaris
Director Labour Relations

C – ARBITRARY PAYMENTS AND GUARANTEES

1) Spareboard Guarantee

a) Add a provision to the Yard spare board guarantees to ensure that the minimum rate an employee makes on the Yardman's spare board guarantee during the bi weekly period is the equivalent of two times the current weekly training rate.

- Add the following clause to the appropriate Consolidated Collective Agreement Article (currently Article 73.08 Trainmen West/73.20 Trainmen East)

“Notwithstanding the current step rate provisions, every employee on a yard spare board who is available for duty for the full pay period will be paid a guarantee no less than two times the equivalent of the weekly training rate.”

b) Within six months of ratification, align Spareboard Guarantee period with two consecutive Weekly Crew changes in the Weekly placement process and make the guarantee a true bi-weekly guarantee. Add a letter to agree to explore automation of payments over the term of the contract.

- Refer to Letter – Automation of Guarantee payments - attached as appendix 16.

- Modify the language in Consolidated Collective Agreement pertaining to Road and Common Spareboard Guarantees in the following articles.

Trainmen West - Road and Common Spare board

“Employees having seniority date on or before June 18, 1990

73.01 Employees on a road or common spare board having seniority date on or before June 18, 1990, will receive a guarantee of 1615 miles biweekly for two consecutive weekly crew changes at the required Trainperson's rate of pay. An employee assigned to the spare board for only a portion of the bi weekly guarantee period will be paid the full proportion of the guarantee pro-rated according to the number of days the employee was on the spare board as related to the number of days in the guarantee period.

- (1) Trainpersons regularly set up in Freight Service Road and Common Spare boards who do not lay off of their own accord will be paid not less than 1,615 miles at the Required Brakeperson's through freight rate in any regular guarantee period. Miles, for the purpose of this clause, shall be those outlined in Article 17, Clause 17.12.
- (2) Trainpersons regularly set up in Freight Service Road and Common Spare boards only part of any regular guarantee period will be credited with such mileage at the rate of 115 miles for each day in the guarantee period regularly set up, at the Required Brakeperson's through freight rate.
- (3) Trainpersons regularly set up in Freight Service Road and Common Spare boards, who complete a tour of duty in Yard Service, will have their compensation for such yard tour of duty converted to miles at the through freight rate for the purpose of determining applicable Spare board guarantee payments.

Employees having a seniority date after June 18, 1990

- 73.02 Employees on a road or common spare board having a seniority date after June 18, 1990 will receive a guarantee of not less than the monetary equivalent of 1615 miles biweekly for two consecutive weekly crew changes at the through freight Brakeperson's rate of pay. An employee assigned to the spare board for only a portion of the biweekly guarantee period will be paid the full proportion of the guarantee pro-rated according to the number of days the employee was on the spare board as related to the number of days in the biweekly guarantee period.

On territories declared for Conductor Only Operation, payment of the appropriate portion of this biweekly spare board guarantee shall be made on the current guarantee period subject to the following conditions.

- (1) Trainpersons regularly set up in Freight Service Road and Common Spare boards who do not lay off of their own accord will be paid not less than the monetary equivalent of 1,615 miles at the through freight Brakeperson's rate of pay.
- (2) Trainpersons regularly set up in Freight Service Road and Common Spare boards only part of any regular guarantee period will be credited with such mileage at the monetary equivalent of 115 miles for each day in the guarantee period regularly set up, at the through freight Brakeperson's rate of pay."

- 73.04 (5) Trainpersons on road or common spare board who are subject to more than one reduction in the amount of the guarantee payable to him/her in that bi-weekly guarantee period shall not be entitled to any guarantee payment for that period. Time off on authorized Union business will not be counted as a reduction, but the Guarantee will be prorated to reflect time off.

- 73.05 (4) The Company shall bear the additional costs associated with the bi-weekly processing of Spare Board Guarantee Claims.

- 73.05 (5) Effective with implementation of the biweekly spare board guarantee, all guarantee payments will be calculated on a biweekly basis that coincides with two consecutive Weekly crew changes."

Trainpersons East

- "73.02 (1) Trainpersons with a seniority date on or before June 18th, 1990 ("protected trainpersons), regularly set up on freight service road and common spare boards who do not lay off of their own accord, will be paid a guarantee of not less than 1846 miles at the Required Brakepersons through Freight Rate, biweekly for two consecutive weekly crew changes.

- (2) Protected trainpersons regularly set up in freight road and common spare boards for only a part of any regular guarantee period will be credited with a prorated bi- weekly mileage guarantee at the rate of 132 miles for each day in the guarantee period regularly assigned to the spare board, at the Required Brakeperson's Through Freight rate

73.04 (1) Trainpersons with a seniority date after June 18th, 1990 (“unprotected trainpersons) on territory that has been declared conductor only, and all trainpersons on territory that has not been declared conductor only, who are set up on road freight service road and common spare boards who do not lay off of their own accord, will be paid a biweekly guarantee of not less than the monetary equivalent of 1846 miles at the Freight Service Brakeperson’s rate, biweekly for two consecutive weekly crew changes.

(2) Such trainpersons regularly set up in freight service road and common spare boards for only a part of any biweekly guarantee period will be credited with a prorated bi-weekly monetary guarantee equivalent to 132 miles at the Freight Service Brakeperson's rate for each day in the biweekly guarantee period regularly assigned to the spare board,

73.08 Trainpersons on road or common spare board who are subject to more than one reduction in the amount of the guarantee payable to him/her in that bi-weekly guarantee period shall not be entitled to any guarantee payment for that period. Time off on authorized Union business will not be counted as a reduction, but the Guarantee will be prorated to reflect time off.

73.14 Effective with implementation of the biweekly spare board guarantee, all guarantee payments will be calculated on a biweekly basis that coincides with two consecutive Weekly crew changes.”

2) Pickup and Setting out Diesel Units in Road Service

a) Effective January 1, 2009, include a provision allowing for a 10 mile payment for setting off or picking up locomotive units at terminal and enroute locations under the following conditions:

- Payment applies to assigned and unassigned Road Freight Service. Payment does not apply to Road Switchers, Yard Service Crews and Assigned Work trains.
- Payment applies where employees are required to lift, set off or switch locomotives. This includes assembling consists on the shop track and setting out or lifting an engine from the consist on the shop or other track.
- Payment does not apply when taking an engine/consist from the shop or other track and coupling onto the train or for putting engine/consist away on the shop or other track.
- There is no more than one payment for locomotive switching at any location.
- The payment will not apply at locations where Conductor-only switching payments apply.

Examples

- I arrive at the final terminal, set out units on the lead and put the remainder of the consist back on the train or another track. Does payment apply? Yes.

- I arrive at the final terminal in combination service and am being paid the dual method of pay. I switched out a locomotive at the initial terminal. How am I paid at the initial terminal? You are paid the Locomotive payment at the initial terminal, plus initial terminal time as long as no Conductor-only claim was made at the initial terminal.

- I pick up my consist from the shop track, lift one locomotive within the terminal before departing. Does payment apply? Yes.

- I pick up my consist from the shop track, lift one locomotive within the terminal before departing the terminal. En route, I set off the locomotive. Does payment apply? Yes, you are eligible for two payments; one at the initial terminal and one at the enroute location assuming Conductor-only claim does not apply at the locations.

- *Replace the language in the Consolidated Collective agreement (currently Locomotive Engineers Articles 5.06 (W) and (E), and add a new clause for the trainmen) as follows:*

“(a) Effective January 1, 2009, employees in Assigned and Unassigned Road Freight Service who are required to set out, pick up or switch locomotive(s) which involves the making or breaking of connection between the locomotives or robotizing and/or conventionalizing by the train crew at initial, final and enroute locations will be paid 10 miles at pro rata rates. Payment does not apply to Road Switchers, Yard Service Crews and Assigned Work trains.

(b) This payment does not apply when taking an engine/consist from the shop or other track and coupling onto the train or for putting engine/consist away on the shop or other track.

(c) Only one payment for locomotive switching applies at any location.

(d) This payment will not apply at locations where switching is paid under Conductor-only provisions.

(e) Miles earned under this clause will be considered non-chargeable.”

D –HANDLING OF CREWS

1) Monthly Mileages

a) Modify the Maximum Monthly Mileage provisions for Locomotive Engineers and Trainmen in freight service to provide the ability for employees to voluntarily remove the application of the carryover provisions when mileage maximum is exceeded.

- *Modify applicable article in the Consolidated Collective Agreement (currently Article 17.08 Trainmen West/ 17.02 Trainmen East and Locomotive Engineers East/West 33.08) to remove the carry over provision by adding the following language:*

“Employees who commence work at the Home terminal prior to attaining the maximum mileage and subsequently exceed the maximum mileage upon return to the Home Terminal have the option to make such overmiles non chargeable. In such cases the overmiles will not be carried forward.”

b) Create a new article providing for the implementation of auxiliary boards to enable employees to secure extra work at no penalty.

- Add a new article within the Consolidated Collective Agreement to establish respective auxiliary boards to allow employees to perform extra work in the event of a shortage of available employees as follows:

“ XX. Separate Locomotive Engineer and Trainpersons auxiliary boards will be established at all home terminal locations for the calling of qualified employees under the following conditions.

- 1) Employees desiring additional work when off for miles or on assigned days off may voluntarily place themselves on one or, where qualified, both auxiliary boards. In the application of this article, Engineers work will be called from the Engineers auxiliary board and Trainmen work will be called from the Trainmen auxiliary board. Employees will only be called for work for which they are qualified and familiarized.
- 2) Employees desiring to be placed on the auxiliary board will indicate their desire to do so on the Weekly Placement Bid Sheets and they will take such work when called.
- 3) Employees on the auxiliary board will be called to service on a single trip basis once the pools, spareboards and Locomotive Engineer Extra Board (if applicable) have been exhausted. Actual placement in the calling decision rules will be confirmed through local discussions.
- 4) Weekly placement on the auxiliary board will be by bid. Upon ratification, calling rules will be established.
- 5) An employee who fails to respond to calls will be removed from the board and must rebid.
- 6) Miles earned on the auxiliary board will not be deemed chargeable to the employee’s mileage period.

Note: This clause will not result in attendance related discipline or penalty claims.”

c) Include a letter in the agreement to commit to protect against potential layoffs as a result of these changes.

- Refer to Letter – Monthly Mileages attached as Appendix 17.

d) Modify the mileage regulation language for Locomotive Engineers to clarify that that Engineer freight pools and spareboards will be regulated so that all employees can earn 3800 miles.

- Replace article in the consolidated collective agreement (currently Engineer West/East 33.04)with the following:

“In the regulation of passenger or other assigned service, sufficient Engineers will be assigned to keep the mileage or equivalent thereof within the limitations of 4,000 and 4,800 miles for passenger service.

Engineer freight pools and spare boards will be regulated so that all employees can earn 3800 chargeable miles per month.

If in any service additional assignments would reduce earnings below these limits, regulations will be effected by requiring Engineers to lay off when the equivalent of the maximum miles in their class of service has been reached. Engineers in combination service will be permitted to earn the equivalent of 3,800 miles per month at freight rates.”

2) Yard Utility

a) Create a new article in governing Yard Utility assignments.

- Add a new article to the Consolidated Collective Agreement as follows:

“i) A Yard Utility person Assignment consists of a single qualified employee, who may be used to work with a Yard or Yard Transfer Crews and will be under the direct supervision of the Yard Foreperson or an appropriate manager of the company. In no circumstances will the Yard Utility person be allowed to work outside the limits of the Yard to which assigned. All Yard Utility person Assignments shall be established and operated in conformity with all schedule yard articles and practices in effect. Regular Yard Utility person’s will assist Regular Yard Crews in their duties, and which may involve assisting more than one Yard Crew within the terminal. The company will transport Yard Utility persons within the limits of the yard in order to fulfill the duties. Local agreements may be made for utility employees to operate Company vehicles with no additional payment to employees.

ii) When not assigned to assist a specific Yard Crew, the Yard Utility person may assist a Freight Service crew on duty within that Yard and will be under the direct supervision of the Conductor. Under no circumstances will the Yard Utility person be considered as forming part of the Freight Service crew, and will not relieve the company of the responsibility to call a Trainperson for a Freight Service crew as provided within the Collective Agreement. The assistance of the Utility person will not affect the payment provisions and rules for the Freight Service crew as provided for within the Collective Agreement.

iii) A Yard Utility person will not be used to fill a temporary vacancy in Yard Service or in any other class of service. However, if an employee on a regular Yard Assignment is late, a Yard Utility person in the same starting time period in that yard may be used to fill out that yard crew so as to avoid a delay in switching operations. In this circumstance the Yard Utility person will be limited to filling out that Yard crew to a maximum of two hours from the on duty time of that Yard assignment. Additionally, in the event that an employee on a Crew in Yard Service is unable to complete their shift, a Yard Utility person may be used to fill out that Yard Crew so long as the time involved does not exceed four hours and these specific hours are after the fourth hour of that yard assignment.

At locations where RCLS has been implemented and Yard Utility persons are employed, all employees in Yard Service will have the ability to book rest after 10 hours on duty. At other locations, normal yard rest rules apply. At locations where RCLS has not been implemented, Yard Utility persons will have the ability to book

rest after 10 hours on duty at terminals where only one Yard Utility assignment is employed.

iv) Duties of the Regular Yard Utility Assignment may be modified by mutual agreement, in writing, between the General Chair and AVP of the Company in order to accommodate employees within the Return to Work program who have restrictions, or to facilitate the operations of that particular Yard. Furthermore, the bundling of productive tasks together with the modification of duties is an acceptable method of establishing a Regular Yard Utility Assignment.”

Note:

1. In all cases the rate of pay for the yard utility person to be included within the appropriate table within article 1. Rate of pay to be that of a YSE.
2. It may be necessary to modify the language within Articles 10, and/or 12 to ensure that the payment and claim tracking provisions for the freight crew remain unaffected.

b) Add a letter to address concerns regarding communication with other crews of Utility persons working in the yard, RCLS qualification and clarifying the scheduling of Utility assignments.

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sir,

This refers to our discussions pertaining to the new provision for Yard Utility positions agreed upon during this round of negotiations. As part of those discussions, concerns were raised regarding the safety of Yard Utility persons working in the yard and intercrew communication as well as with RCLS qualification requirements. Additionally, discussions took place concerning the scheduling of Utility assignments.

In order to address these issues, the following was agreed:

- (1) The General Operating Instructions would be updated to ensure that appropriate inter crew communications would occur between Yard Utility employees, other train crews and appropriate Company officers, to provide for the safe work activities of Yard Utility employee.
- (2) Although it was understood that Utility employees in RCLS yards may be required by the Company to be RCLS qualified to bid the position, it was agreed that current non-RCLS qualified Utility employees at RCLS locations would not be required to become RCLS qualified for a period of three years from the date of ratification during which time RCLS training would be made available to such employees. Current incumbents and

future successful candidates bidding on the positions not already RCLS qualified would be provided with such training. It was also recognized that the requirement for RCLS qualification may be waived in Return to Work accommodations.

(3) In regards to the application of language pertaining to starting times, the following was agreed: where one or two yard utility crew(s) are regularly employed, the provisions of articles Trainmen West 47.06 and Trainmen East 47.01 (6) would apply; where three yard utility crews are regularly employed, the provisions of articles Trainmen West 47.03 and Trainmen East 47.01(3) would apply.

If this accurately reflects our conversations, please so indicate by signing below.

Sincerely,

J. Bairaktaris
Director, Labour Relations

I Concur,

Mr. D. Genereux
General Chair- Trainmen East

Mr. D. Olson
General Chair- Trainmen West

3) Layoff & Recall

a) Include a letter in the agreement to address the issue of Layoff & Recall.
-Refer to letter Layoff & Recall attached as Appendix 18.

E - SENIORITY

1) Seniority – New Hires

a) Add a new letter providing for a process by which graduates from colleges with Conductor training programs will have their seniority established.

Intent: Add new letter addressing the establishment of Seniority of College new hires in all circumstances including the integration of college new hires when a class is hired off the street
- Refer to Letter – Seniority New Hires - attached as appendix 19.

2) Weekly Crew Change – Alignment of Seniority Rules

a) Intent is clarifying that when West Trainmen are exercising their ability to vacate a position in assigned service upon 10 day's notice, it is done coincidental with the weekly placement.

- Amend appropriate article in the Consolidated Collective Agreement (currently Article 38.13 Trainmen West Collective Agreement) as follows:

“A trainperson whose seniority entitles them to a regular position in unassigned service may vacate a position in assigned service upon serving 10 days’ notice, and such notice cannot be withdrawn after the vacancy has been bulletined. This exercise of seniority will be administered on the first weekly crew change following the expiration of the 10 days’ notice in accordance with the local practices. Such Trainperson will not be permitted to make application for the vacancy created by their 10 days’ notice, but must revert to unassigned service to any point on their Seniority District to which their seniority entitles them.”

b) Modify the requirement for Western Yardmen holding a regular position for a minimum of 30 days to 28 days to align any movement with the weekly crew change.
Amend Article 44.06 Trainmen West Collective Agreement

- Amend appropriate article in the Consolidated Collective Agreement (currently Article 44.06 Trainmen West Collective Agreement) as follows:

“A Yardperson exercising seniority to a regular position in the yard to which assigned, will be required to hold it for not less than 28 days and will be permitted to move giving appropriate written notice to the Officer in charge indicating the assignment they desire, except if a vacancy of 5 days or more occurs, the senior employee shall have preference.”

3) Seniority Rewrite

a) The parties agree to rewrite the seniority rules for Trainmen in order to simplify, standardized and clarify the rules.

- Refer to letter – Seniority Rewrite – as Appendix 20.

F - UNION-MANAGEMENT RELATIONS

1) Investigation & Discipline

a) Modify the language pertaining to Investigations so that in the case where there is an investigation arising out of an allegation of harassment, the following will apply:

- Only the accredited representative will have the right to attend the statement of a witness.

- All documentation pertaining to the investigation remains in the custody of the Company and accredited union representative. (Note: Such restriction is subject to the provisions of the Privacy Act.)

- Modify the appropriate clause in the Consolidated Collective Agreement (currently clauses 23.01 (6)/23.03(6) Engineer East/West and 70.01(6)&(&)/70.03 Trainmen West/East) as follows:

- “(6) The employee will sign their statement and be given a copy of it, with the single exception in the case of investigations arising out of an allegation of harassment. In such circumstances and depending on the seriousness of the allegations and the nature of the situation, copies of the investigation may be limited to being retained by the Company and accredited local representative(s), if they have been asked to be present by the employee, or if required to allow the Union to represent an employee involved in this matter.
- (7) In the case of an investigation arising out of an allegation of harassment, depending on the seriousness of the allegations and the nature of the situation, notification may not include all copies of available evidence, however in such circumstances all evidence will be made available within the company office to the employee together with the local Union representative, or any other accredited Union Representative (if either is involved in this matter) to jointly review and prepare for the investigation. In any event, all evidence will be presented at the investigation and the employee will be given sufficient time to review such information. Such evidence will remain with the Company and accredited local representative or other accredited representative as the case may be.

xx.03 If the employee is involved with responsibility in a disciplinary offence, they shall be accorded the right on request for themselves or an accredited representative of the Union, or both, to be present during the investigation of any witness whose evidence may have a bearing on the employee's responsibility, to offer rebuttal thereto and to receive a copy of the statement of such witness. In the case of an investigation arising out of an allegation of harassment, and depending on the seriousness of the allegations and the nature of the situation (an appropriate situation), only the accredited representative(s) of the Union may be present during the investigation of the accuser, and possibly any other witness. In such a case, the employee will be reminded of their right to have an accredited Union Representative attend such an investigation. Thereafter, the employee will be given an opportunity to review all evidence and statements, and retains the right to rebut any and all evidence. In appropriate situations, the Company may require that all copies of the statements and other related evidence will remain with the Company and accredited representative(s).”

b) Include a letter in the agreement to provide for joint investigation training during the term of the contract. Program to include training on new provisions for handling harassment investigation. Program to be developed to be delivered in a cost effective manner. Company to pay for union representatives participating in the program.

- Refer to Letter – Joint Investigation Training - attached as appendix 21.

c) Include a letter to establish a pilot for Trainpersons East regarding being held out of service.

- Refer to letter – Held Out of Service – attached as appendix 22.

2) CMA Committee

- a) Develop terms of reference for the CMA committee.

Intent: To provide a frame work for terms of reference for CMA Committee members by including specific language as to the terms of reference for the CMA committee

- *Refer to Terms of Reference – CMA Committee - attached as appendix 23.*

3) Cab Committee

- a) Add a new letter to the collective agreement detailing the composition and duties of the Locomotive cab committee, to replace the old cab committee letters.

- *Eliminate current Cab Letters in the Consolidated Collective Agreement (currently Trainmen East Page 225, 226 and West Page 211, 212. Eliminate both letters Engineers East Page 86, 87 and Engineers West Page 87). Include a new letter detailing the composition and responsibilities of the Locomotive Cab Committee- Refer to Letter – Cab Committee - attached as appendix 24.*

4) Material Change

- a) Intent: Amend current articles in the collective agreements, to update current compensation provided under a material change for the term of the Contract

Material Change Article

Effective upon ratification, modify the premiums provided for in the clause for relocation benefits to the following amounts:

- An allowance of up to \$975 for incidental expenses actually incurred as a result of relocation.
- Reasonable transportation expenses from their former location to their new location by rail, or if authorized, by bus or employee-owned automobile, and up to \$250 for an employee without dependents, and that an additional amount of \$130 will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail or bus transportation.
- Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$8,000. Receipts shall be required.
- If an employee who is eligible for moving expenses does not wish to move their household to their new location they may opt for a monthly allowance of \$260 which will be payable for a maximum of twelve months from the date of transfer to their new location.

b) All allowances contained in clause a) above will be increased commensurate with the general wage increases for the term of the Contract.

- Amend appropriate article in the Consolidated Collective Agreement in accordance with the above changes (current articles include, Article 34.11 Engineers west and East, Article 72.15 Trainmen West and East.)

5) Union Security

a) Include a letter in the agreement to clarify the application of the Union Security clause.
- Refer to Letter – Union Security – attached as appendix 25.

F - TRAINING

1) E-Learning

a) Include a letter in the agreement to provide for a pilot to test and implement e-learning for part of RQ training.
- Refer to Letter – E-Learning - attached as appendix 26.

2) Discrimination & Harassment

a) Include a letter in the agreement outlining the Company's commitment to provide Discrimination & Harassment training to running trades employees during the term of the contract.

- Refer to Letter – Discrimination & Harassment training - attached as appendix 27.

3) Advanced Engineer Training

a) Include a provision in the agreement regarding Union consultation in the development of an Advanced Engineer Training program.

Intent: Provide Union with input into the development of advanced Locomotive Engineer Training

- Amend the appropriate clause of the Consolidated Collective Agreement (current provisions of Article 5.11 Engineer's Collective Agreement and Article 84 Trainman's West and Article 64 Trainmen's East Collective Agreement) with the following:

“X.XX Training Program Development

- 1) Classroom instruction and on-the-job training where required will be performance based and will not be tied to any obligatory number of working tours of duty prior to being declared qualified.

- 2) Training programs for Rules Qualifications, New Hire training and Locomotive Engineer training will be developed in consultation with the General Chairman or their designates.
- 3) The Company will provide the Union an opportunity for input in the development of an advanced Locomotive Engineer Training Program for employees already qualified as Locomotive Engineers. The Training Department will contact the offices of the General Chairmen to make arrangements for gathering input.
- 4) Within six (6) months of the implementation of a new training program, the Company and the Union will meet to review the course material to determine if changes are appropriate, based on the first six (6) months of training that has been completed. The time period within which this review will be conducted, may be adjusted as deemed appropriate by the parties.
- 5) In the event of a disagreement with respect to the structure and/or content of a training program, the General Chair(s) of their designate may raise such concerns with the Director Labour Relations or their designate. Failing resolution at this level, the issue(s) may be progressed to the Vice President TCRC and the Assistant Vice-President, Industrial Relations.
- 6) All training programs above will be filed with the office of the TCRC VP.”

4) Introduction of New Equipment

- a) Include a new letter regarding the process for consultation when introducing new equipment or technology.

Intent of the letter is to include a process to provide for consultation between the Union and Company prior to the introduction of new equipment or technology within the workplace.

- Refer to Letter – Introduction of New Equipment - attached as appendix 28.

5) Development Pay

- a) Include a letter clarifying the involvement and payment for the E-learning and Joint Investigation Training programs.

- Refer to Letter – Development Pay - attached as appendix 29.

G - AGREEMENT ADMINISTRATION

1) Abeyance Code

- a) Add a new letter detailing the process for establishing abeyance codes.

Intent: Adding a letter to the collective agreement outlining the process for establishing abeyance codes

- *Refer to Letter – Abeyance Code - attached as appendix 30.*

2) Annual Vacation – Days Worked and Available

- a) Amend Days Worked and Available letter in Collective agreements, while archiving HRIS/CCS letter

Intent: Is to amend the days available for work letter found at p. 59 Engineer's East p.52 Engineer's West, p.159 Trainmen West and p.164 Trainmen East to confirm in the letter that employees off for miles will not be penalized in the calculation of their annual vacation. Concurrently, the HRIS/CCS letter P. 205 trainmen West, p. 164 Trainmen East, p.115 Engineer's West, p.141 Engineer's East are archived.

- *Refer to Letter: Days Worked & Available attached as Appendix 31.*

3) Payment when Employee Resigns/Dismissed

- a) Modify the timeline for payment when an employee resigns or is dismissed from 5 calendar days so that it must be within 14 days of the date of resignation or dismissal.

Intent: Amend article regarding provision of payment when an employee is dismissed or resigns so that they shall be paid by electronic deposit on the regular pay day. In no case shall the deposit be made later than 14 days from the date the employee resigns or is dismissed

- *Revise Consolidated Collective Agreement (currently Articles 70.06 Trainmen East and West and Article 23.06 Engineers East and West) agreements as follows:*

“When an employee is dismissed or resigns they shall be paid through electronic deposit to coincide with the immediately next regularly scheduled pay day. In no case will the deposit be made later than 14 days from the date the employee resigns or is dismissed. As soon as possible, the employee shall be given a record of employment in accordance with the current Federal Regulations.”

4) Commuter Rates of Pay

a) Add a new Clause to the Consolidated Collective Agreements for Commuter Rail rates of pay for reference.

Intent: To add a new clause to Article 1.0 provide a table outlining the commuter rail rates during the term of the agreement for easy reference of employees in commuter service.

- Article to be added to pay section of Consolidated Collective Agreement as follows:

“Art x.x Commuter Rail Rates of Pay
The following rates are for information purposes.

For copies of the agreement, go to <website address> and click on to the appropriate document for details.

(a) Rates of Pay- Commuter Rail Engineers

Daily rates of pay at 100 miles
Vancouver rates based on hourly rate

	2007	2008	2009	2010	2011
WCE	38.998	40.558	41.775	43.028	44.319
GC	140.17	145.78	150.15	154.65	159.29
CRS	311.91	324.39	334.12	344.14	354.46

Rates of Pay Commuter Rail Second Engineers

Daily rates of pay

	2007	2008	2009	2010	2011
CRS	310.80	323.23	332.93	342.92	353.21

(b) Rates of Pay Commuter Rail Conductors

Daily rates of pay at 100 miles
Vancouver rates based on hourly rate

	2007	2008	2009	2010	2011
WCE	33.903	35.259	36.317	37.407	38.529
GC	109.46	113.84	117.26	120.78	124.40
CRS	271.16	282.01	290.47	299.18	308.16

5) Yard Second Lunch

- a) Modify the article for lunch in yard service to clarify when yard crews are entitled to a second lunch.

Intent: To clarify the ability of yard crews to take a second lunch when required to work longer than the basic day

- Amend appropriate Consolidated Collective Agreement article (currently Article 47.10 Trainmen West, Article 47. 01 (10) Trainmen East, Article 4.14 Engineers West, Article 4.13 Engineers East Collective agreements) to clarify when second lunch is required as outlined below:

“xx.xx Yard employees will be entitled to a second lunch break between the ninth and tenth hour on duty. There will be no deduction in pay or time therefore.”

6) Consolidate duplicate articles

- a) Yard Switching Limits – Consolidate Yard and Road Rules

Intent: To consolidate language into one location. Current applications will remain in effect.

- Include one article in the Consolidated Collective Agreement for Trainmen West, consolidating Article 23 and 50 Trainmen West Collective agreement and remove work train provision as follows:

“Yard Switching Limits

- a) The necessity of changing or re-establishing recognized switching limits, in order to render switching services required because of industrial activities and/or territorial extensions of facilities must be recognized. The present switching limits will be designated by general notice at all points where yard engines are assigned and will only be changed by negotiations between the proper officer for the Company and the General Chairman. The concurrence of the General Chairman will not be withheld when shown that the changes are necessitated by industrial activities and/or territorial extension of facilities. Yard limit Boards may or may not indicate switching limits.
- b) In the extension of switching limits the rights of Road employees thereon will be conserved by negotiations respecting the allocation of work between Road and Yard employees.
- c) This rule is not intended to prevent the Company from using Yard employees to switch industrial track within reasonable distance of existing switching limits.”

7) Consistent Terminology

a) To ensure consistent use of terminology, modify craft names not already changed so that they are Gender Neutral. Terms to include Conductor, Baggageperson, Brakeperson, Yard person, Yard Foreperson, Yard Helper, Yard Service Employee, Yard Service Helper and Yard Utility Person.

Intent: Include Gender Neutral language consistently in the collective agreement. Any changes pursuant to this item will not impact the meaning of the impacted clauses

- Modify terms, where appropriate, in Consolidated Collective Agreement.

8) Housekeeping

a) Clean up various articles in the collective agreement which are no longer in use or seldom used.

Intent is to maintain a single location where all collective agreement provisions that are being archived or eliminated are located.

- Amendments to the existing collective agreements where the provisions have been archived or eliminated are attached as Appendix 32.

9) Lockers and report location

a) In order to complete clean up of bunkhouse language, move and modify existing clause (Article 33.01 (8) and (10) Trainpersons East and West regarding lockers and report location to a new article.

- Establish as new clause within the appropriate Consolidated Collective Agreement article (currently Article 27 Trainman East and West, Article 25 Engineer East and West), as amended:

“(x) **Employees** will be supplied with an individual locker at the home terminal located conveniently to the point where they usually go on and off duty.

(x) At the home terminal, **employees** will report for duty at the time ordered for at their locker unless otherwise agreed upon between the Local Chairperson and the Superintendent. At the away-from-home terminal such employees will report for duty at the times ordered for at the same place which may be at the yard office, station or train order office as designated by bulletin or such other place as may be agreed upon between the Local Chairperson and the Designated Company Officer.”

10) Medical examinations

a) Include a letter in the Consolidated collective agreement pertaining to payment to employees who have suffered lost wages due to attendance at Company arranged medical examinations.

- Refer to letter – Payment to attend medical examinations – Lost Wages - attached as appendix 33.

(Note: This replaces the letter re: Payment of lost wages to attend medical or rules examinations, currently Engineers East p. 38, Trainmen East p. 94, Engineers West Archive p. 13, Trainmen West Archive p. 43)

b) Include a letter in the Consolidated collective agreement clarifying the payment for periodical medical exams.

- Refer to letter – Payment for periodic medical examinations – attached as appendix 34.

11) Consolidated Collective Agreement

a) Include a letter regarding the completion and printing of the Consolidated Collective Agreement.

- Refer to letter – Consolidated Collective agreement- attached as Appendix 35.

12) Kawartha Lakes

a) Include a letter regarding the Kawartha Lakes agreement

- Refer to letter – Kawartha Lakes – attached as Appendix 36.

13) Local Rules

a) Include a letter regarding the manner in which Local rules will be addressed

- Refer to Letter – Local Rules – attached as Appendix 37.

14) Estoppel Issues

a) Include a letter addressing a number of estoppel issues that were raised during bargaining.

- Refer to Letter – Estoppel Issues – attached as Appendix 38.

H – GENERAL

- 1) The foregoing changes are in full settlement of all demands served by and upon Canadian Pacific Railway Company and the Teamsters Canada Rail Conference.
- 2) This document shall constitute the Memorandum of Agreement for the purpose of amending the Consolidated Collective agreement (CCA), when authorized by the membership of the Union.
- 3) Employees who were in service on January 1, 2007 or who were employed subsequent thereto, shall, providing they have not been dismissed from the service, file has been closed or resigned prior to the ratification of this agreement, be entitled to any amount of increased compensation that is due them for time worked subsequent to December 31st, 2006 as outlined within this agreement.
- 4) It is understood that this Memorandum of Settlement is subject to ratification by the employees in the bargaining unit and shall constitute a binding collective agreement only when written notice of such ratification is communicated to the Company.
- 5) Where no implementation dates are indicated, an implementation schedule will be established upon mutual agreement. The implementation schedules will be established within 30 days of ratification.
- 6) A single Consolidated Collective Agreement will be printed within 60 days of the final signoff of the contents of the Consolidated Collective Agreement. This period may be extended through mutual agreement for the purposes of preparation and proof reading.

SIGNED AT CALGARY, ALBERTA, THIS 5th day of December 2007.

FOR CANADIAN PACIFIC
RAILWAY COMPANY:

R.E. Wilson.
AVP, Industrial Relations

D.N. McFarlane
AVP Operations

J. Bairaktaris
Director, Labour Relations

J.C. Copping
Director, Labour Relations

M.L. Rickerby
Director, NMC

R. Hampel
Manager, Labour Relations

FOR THE TEAMSTERS CANADA
RAIL CONFERENCE:

D. Shewchuk
President, TCRC

D. Finnson
Vice-President, TCRC

D. Able
General Chair, Engineers West, TCRC

D. Olson
General Chair – Trainmen West, TCRC

T. Beaver
General Chair – Engineers East, TCRC

D. Genereux
General Chair – Trainmen East, TCRC

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Appendix 1 - Letter – New Hire Lump Sum Payment

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our discussions regarding concerns raised with the attraction and retention of trainpersons.

To address this issue, it was agreed that employees hired subsequent to January 1, 2008 would be paid a lump sum amount of \$2000 upon attaining the job rate after 21 months. It was further agreed that this provision would remain in effect for the duration of the contract and may be extended and/or increased upon mutual agreement.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Genereux
General Chair, Trainmen East

D. Olson
General Chair, Trainmen West

Appendix 2 - Letter – Performance Incentive Program

December 5, 2007

Mr. D. Able
General Chair- Engineers West
TCRC

Mr. D. Olson
General Chair- Trainmen West
TCRC

Mr. T. Beaver
General Chair- Engineers East
TCRC

Mr. D. Genereux
General Chair- Trainmen East
TCRC

Dear Sirs;

This is to confirm that an annual Performance Incentive Program with a maximum pay out of 5% of employees earnings will be implemented by the Company for the term of this contract. Such program may be either global in nature or targeted to specific areas e.g. Service Area or individual employees.

Prior to implementation, the parties will meet the Company and the Union will establish objectives which will be in place for the Performance Incentive Program year. To allow for proper design of the program, it will come into effect no later than July 1, 2008.

The parties will meet within 30 days of ratification to establish objectives based on the general categories of safety, service and productivity. Any targets established for such objectives will be consistent with targets set in the management Performance Incentive Program.

Where an award pool is created through the achievement of identified performance criteria, forty percent of net savings in the pool will be distributed among participating employees from the Union. Safety, service and productivity objectives may be established with set targets and associated payouts.

Payouts for a program year will be made by the end of February of the following year for each year of the program. The parties will meet no later than December 15 of the program year in order to discuss new objectives and targets for the following program year. This discussion will include the use of stretch targets.

Performance Incentive Program payments are considered as pensionable earnings.

Yours truly,

J. Bairaktaris
Director, Labour Relations

Appendix 3 – Letter – Benefits Union/Management Committee

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our various discussions surrounding the issues of benefits provided by the Company and the application of same to your members, especially given the introduction of employee co-pay in 2008.

The Union has expressed severe and significant concerns with the level of claims being denied or disputed. Additionally, there is an equal concern expressed that the benefits are not being paid in line with the terms of the relevant documents. Finally, the Union is stating the service from the present benefit provider is not at the employees' expected level of service.

The Company acknowledges your concerns. To that end, it was agreed that the Union would be part of the process so that they could conduct a detailed review, understand the co-pay calculations and ensure these calculations are correct. Such calculations will only include employees of this bargaining unit. Employees who are not eligible for benefits will not be required to make co-pay payments during that period. As well, it was agreed that a joint Union Management committee would be established consisting of full time union representatives or designates from each General Committee and designated Company managers. This committee would meet annually, or more often as required. This committee will review the application and administration of employee benefits to ensure that they are being properly applied, that appropriate claims are not being declined, and the level of service to the employees is maintained at an acceptable level. Issues not resolved by the committee may be escalated to the Vice-President TCRC and Assistant Vice-President Industrial Relations for resolution.

The committee will also discuss and oversee the issue of communication of benefit entitlements to your respective members. As a part of this effort, the Company proposes that the benefit books be maintained in their updated format on the respective Company and TCRC Websites, and will also provide printed benefit plan booklets for plan members and TCRC officers. Additionally, the committee will undertake to update the benefit plan agreements between the Union and the Company.

Furthermore, should the Union request a comprehensive and detailed review of benefit claims this will be done jointly with representatives of the plan service provider, the Company, and the Union. If it is found that claims are being denied incorrectly, immediate corrective action will be initiated to ensure the plan service provider takes the necessary steps to correct this. Specific tracking of claim payments may be initiated upon request of the Union if it is determined that certain types of claims are continuously denied. Should it be found that claims are not being submitted correctly by plan members, educational material will be distributed to the plan members to educate and inform them of the correct claim submission requirements.

If you concur with the foregoing approach to the issue of benefits and more particularly the communicating of the entitlements to your members, indicate your concurrence.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 4 - Letter – Co-pay Clarification

December 5, 2007

Mr. D. Able
General Chairman- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chairman- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chairman- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chairman- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs;

This refers to our discussions following the ratification vote of the September 1 Memorandum of Settlement. During our discussions you had indicated that your members had expressed concerns with respect to the implementation of co-pay in 2008 and the ramifications it would have on your members. A number of questions on co-pay were raised which are addressed below.

1) What is the financial impact of co-pay?

- As consideration for the implementation of co-pay, the company agreed to an additional 1% wage increase in 2008 to 4% effective January 1st 2008 as indicated in the September 1st Memorandum of settlement. For an employee with eligible earnings of \$70,000, this amounts to a \$700 annual wage increase. Additionally, the company reduced the Extended Health & Vision deductible by \$25 and the Dental deductible by \$35.

- By way of example, the financial impact of co-pay for an employee earning \$70,000 is as follows:

1% Salary increase	+\$700.00/year
Reduced deductible	+\$ 60.00/year
Co-Pay deductible*	<u>-\$154.70/year</u>
Net to employee	\$605.30/year

(*Based upon Running trades 2006 data.)

2) How is the co-pay premium calculated?

- As discussed, co-pay is based on the actual cost of the plan for only your bargaining unit and does not include administrative fees. The Union will be involved in the calculation of co-pay costs to ensure a complete understanding of the calculations, and to ensure they are correct. Based on 2006 costs, the current co-pay level is approximately \$5.95/pay period.

3) If I make a claim for drugs for \$1000/month, does 10% co-pay mean that I will have to spend \$100/month for drugs?

- No. Co-pay is based on the actual cost of the plan for only your bargaining unit. If co-pay was in effect in 2007, the total amount for co-pay for both Extended Health and Dental plans would be approximately \$5.95 per pay period regardless of your monthly claim.

If this accurately reflects our discussions please indicate your concurrence.

Yours truly

J. Bairaktaris
Director Industrial Relations

I Concur,

D. Able
General Chairman (LE)

D. Genereux
General Chairman(T)

T. Beaver
General Chairman (LE)

D. Olson
General Chairman(T)

Appendix 5 - Letter – Drug Card

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our various discussions during the recent round of main table negotiations regarding the introduction of a Drug Card.

The company indicated that it is committed to the introduction of a drug card, if this can be accomplished with a "cost neutral" outcome with respect to the ongoing drug costs. The Company is prepared to absorb the administrative costs of establishing the drug card.

Consequently, it was agreed that during the closed period, the parties would jointly approach the Service Provider to explore the implications of the introduction of such a card, similar to those that they presently administer for other organizations. The first meeting to explore this issue will occur no later than 30 days following ratification. Provided the review of this issue meets the criteria and is acceptable to the Union, it will be implemented not later than July 1, 2008, unless otherwise mutually agreed between the parties.

If there are reasonable one time costs to initiate the process, (i.e. printing and distribution of the cards, system set up costs) that are not covered by Service Provider, the company will be prepared to cover such costs.

If this accurately reflects our conversations, please so indicate by signing below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 6 - Letter – Health Spending Account - Quebec

December 5, 2007

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our discussions surrounding your concerns regarding the inability to provide Health Spending Account (HSA) benefits to retirees in Quebec under the age of 65 due to Quebec provincial regulations.

To address this concern, it was agreed that within 6 months of ratification, the parties would explore either modifying the current Blue Cross plan or designing a new plan to be offered to Quebec retirees under the age 65. Any modification or new plan will be guided by the following principles:

- Greater flexibility will be provided regarding choice of benefits.
- The plan must meet the minimum applicable regulatory requirements.
- The cost of the plan will not exceed the cost associated with the provision of HSA benefits under the current collective agreement provision.

It was further recognized that should the regulations in Quebec or their application change that would permit the current HSA plan for retirees under the age of 65 to be put in place, the current HSA plan would be implemented.

If this accurately reflects our conversation, please indicate your concurrence by signing below.

Yours truly,

J. Bairaktaris
Director Labour Relations

I Concur,

T. Beaver
General Chair, Engineers East

D. Genereux
General Chair, Trainmen East

Appendix 7 - Letter - Line ups

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sir;

This refers to concerns raised during negotiations regarding the accuracy of train lineups and the impact it has on crews. This is an issue that has been the subject of discussion during several rounds of negotiations. While improvements to train lineups have been made at certain locations, concerns remain at others.

Accordingly, it was viewed that a different approach should be tried in addressing this subject. It was therefore agreed that the issues may be better addressed through the creation of a separate subcommittee of the CMA committee, operating under the CMA committee guidelines. It was further recognized that the creation of this subcommittee may by its very nature impact the number of CMA committee meetings.

During the closed period, this subcommittee will review and identify specific processes that might assist in developing metrics for crew lineups, enabling the presentation of reports to the Company and Union. Additionally, the subcommittee may identify other issues such as 10 hour violations or extensive heldaway that arise during the review and attempt to identify causal connections. This information will be assessed and reviewed and raised to the Company and the General Chairmen.

Recognizing the sensitivity of the issue of lineups, upon being established, the subcommittee will meet quarterly during its first year. Thereafter, the meeting frequency will be determined by the AVP Operations and the General Chairmen based upon input from the subcommittee members.

To facilitate the assessment, within 12 months of ratification, the Company undertakes to establish metrics to measure the accuracy of crew lineups, similar to those metrics previously established for train lineups. The metrics and information gathered through this process will be distributed to the General Chairmen, while Local Chair shall receive information specific to their respective terminals.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 8 - Letter - Crew Management Centre Issues

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our various discussions surrounding the issues at the Crew Management Centre (CMC) particularly your concerns pertaining to the ability of crews to contact a crew dispatcher in a timely fashion, the auto crew-calling of crews at the away from home terminal, as well as ensuring that weekly crew changes are completed in a correct and timely manner.

During discussions, the parties recognized that given recent changes in technology and staffing challenges, numerous issues have arisen that the Company acknowledges must be resolved. Moreover recognizing the complexity of the issue, this would be best addressed in joint consultation with all stakeholders.

Given the above, it was agreed that representatives from the TCRC, USW and the Company would be invited to meet within the next six weeks to review the problems, identify solutions, and establish an implementation plan.

Representatives of the organizations would include: from the TCRC- CMA committee members and General Chairs; from the USW- Union representatives, Crew change clerks, and Crew Dispatchers; from the Company – Senior Ops and LR Managers, CMC and Crew Change Managers.

Issues that would be addressed include, but are not limited to: Phone issues; software issues; complexity, including the application of local rules and placement procedures; staffing challenges including number of staff, experience and training; change of time table and weekly placement process including electronic bidding; Auto Crew Calling (ACC) process, particularly at the Away From Home Terminal (AFHT).

Once the initial investigation regarding the issues is completed, an initial meeting by all the parties will be held within the next 6-8 weeks. This group will monitor the action items and perform audit on the outcomes on a quarterly basis.

Recognizing that the Committee may consider a number of potential options to the various issues, the employer is committed to resolving these concerns in an appropriate and timely fashion.

If you concur with the foregoing approach to the issues indicate your concurrence.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 9 - Letter - In and off in 10 Hours – Penalty

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

During this round of negotiations the parties discussed the application of the rest articles as they apply to rest enroute. During these discussions the Company reaffirmed that when employees provide notice of rest enroute in accordance with the provisions of the Collective Agreement, the intent is to have employees in and off within 10 hours on duty.

As discussed, the Company is committed to work with the Union with a view of eliminating over hours violations. In addition, to address it's concerns, the following will apply in the event employees are not in and off within the 10 hours as specified in the Collective Agreement.

1. \$80.00 Penalty Payment

When employees provide proper notice of rest to be in and off in 10 hours specified in the Collective Agreement and have not arrived at the objective terminal within 10 hours, the \$80.00 penalty payment is paid based on the following

- the company, in consultation with the Union, will establish a time (a relief time), from locations where crews are commonly relieved on a subdivision, based on the normal transit time by taxi, from that location to the off duty point at the objective terminal
- it is recognized that the transit times may differ depending upon the seasons and will be based upon changes in operations, routes, weather conditions, congestion, etc.
- the employees, who have given proper notice of rest, and who have not departed the relief point to facilitate being in and off within 10 hours, within the transit times designated above will be entitled to an \$80.00 penalty payment.
- the transit times will be based on the departure time of the taxi from the relief point providing sufficient time at the location where the train is secured as well as a standard tie up time at the off duty point at the objective terminal.

Illustration

- employees called in straightaway service from terminal A to Z and properly provides notice of rest
 - the employees are relieved at station T and the normal transit time from station T to terminal Z by taxi is 1 hour and 30 minutes
 - if the employees are not in the taxi by 8 hours and 30 minutes into their tour of duty and have not arrived at the objective terminal within the 10 hours, based on the transit times outlined above, will be entitled to the \$80.00 penalty payment
2. Employees who give proper notice of rest to be in and off in 10 hours will be able to book additional rest over 24 hours upon returning to the home terminal. The additional penalty rest will equal three times the amount of time they are over 10 hours on duty, with a minimum of 1 hour.

Illustration

- Employees are called in straightaway service from the home terminal to the away-from-home terminal, provides proper notice of rest and is off duty in 10 hours and 30 minutes
 - on the return trip, the same employees is called in straight away service from the away-from-home terminal, provides proper notice of rest and is off duty in 11 hours.
 - the total time beyond 10 hours to and from the away-from-home terminal is 90 minutes
 - the employees would have the ability to book up to 28 hours and 30 minutes rest upon return to their home terminal. This is based on the following calculation – 24 hours rest plus three times the 90 minutes that was in excess of 10 hours.
3. Employees arriving at the objective terminal on their train and are subsequently over their 10 hours on duty will be provided the additional rest in the same manner as outlined in Item No. 2 of this Appendix.
4. The additional rest provided for in Items No. 2 and 3 will not used to reduce the spareboard guarantee or MBRs.
5. The \$80.00 penalty payment will be in addition to all other earnings for the tour of duty and will be handled in the same manner as premium (NR) payments are presently handled, i.e. statutory holiday, pensionable service etc.

Note: In cases where there is a significant outage the Company may defer the additional rest until the outage has been resolved.

The additional rest provisions will be implemented within 30 days of ratification, subject to CMA programming changes.

It was further noted during our conversations that these changes are designed to improve compliance to in and off in 10 hours as specified in the Collective Agreement. It is also understood that should there remain issues at a given location regarding crews, who have given notice for rest and are not in and off duty within 10 hours, will be immediately escalated to the appropriate AVP – Operations by the respective General Chairs for resolution.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 10 - Letter - In and off in 10 Hours - Tracking

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to concerns you raised during bargaining pertaining to getting crews in and off duty within 10 hours when they have given notice for rest.

To better track this issue it was agreed that the tie up screens would be modified so that employees would not be able to tie up without providing an indication whether or not proper notice of rest had been provided.

This information will be tracked and provided on a timely basis to the CMA Committee for analysis and establishment of metrics to measure compliance.

It was further agreed that the necessary modifications to the tie up screens would be completed within 6 months of ratification.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 11 - Letter – Family Care

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our recent discussions during negotiations concerning the Union's desire to provide the ability in the collective agreement for the parties to make alternative scheduling arrangements for running trades employees to address acute family care issues up to a six month period.

It was recognized that in order to deal with acute family care issues such as but not limited to childcare, child custody, spousal care, elder care, hospitalization or institutionalization of family members or dependents, employees may need leave (e.g. one week off a month or a certain day off a week), or would only be able to work certain shifts (e.g. afternoons) for a period of time to address these family issues.

In order to address such situations the following was agreed:

- 1) Employees may apply for a personal leave of absence schedule in order to accommodate their work requirements and their family care issues. Such schedule will not exceed 6 months, and may include regular individual day leaves of absence, longer leave of absence not to exceed 14 consecutive days.
- 2) Employees may apply to alter their existing annual vacation schedule.
- 3) Alternatively, an accommodated position within their work location may be sought through the local RTW Committee without interference or affect on any other employees' seniority.
- 4) The employee is responsible to provide evidence of the necessity of establishing a modified schedule, changing vacation or position/schedule.
- 5) Although the company will attempt to accommodate requests as much as possible, arrangements will be subject to operating requirements and availability of crews.

Recognizing that this is a new provision, the parties retain the right to modify the terms upon mutual agreement to ensure that it fulfills its purpose of providing time off to deal with family issues while, at the same time, ensure that operations are maintained.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 12 - Letter – Home Terminal Rest

December 5, 2007

Mr. D. Able
General Chair- Engineers West
TCRC

Mr. D. Olson
General Chair- Trainmen West
TCRC

Mr. T. Beaver
General Chair- Engineers East
TCRC

Mr. D. Genereux
General Chair- Trainmen East
TCRC

Dear Sirs;

This refers to our discussions focused on improving employee work-life balance, as it relates to employees taking rest at the Home terminal.

In order to provide pool and road or common spareboard employees with additional flexibility and potentially extend their time between certain trips, the following was agreed.

1) Employees who book 24 hours rest at the home terminal, will not be placed on the working board (pool or common spareboard) until their rest expires, at which time their turn will be placed at the bottom of the working board and it will move up the board in normal fashion.

2) Employees who book less than 24 hours rest at the home terminal will continue to be run first in first out as is done at present.

3) This change will not result in any additional expense to the Company, including guarantees, and maintenance of basic rates (MBR) payments. As well, it cannot impact negatively on the Company's ability to operate trains.

4) Recognizing that the parties have no experience with this proposal, it was agreed that the following implementation schedule would apply:

- A pilot program would be implemented for the TCRC at a location to be mutually agreed upon, within thirty days following the required CMA programming changes.

- The pilot will run for a period of three months and will be reviewed jointly between the General Chairmen, the Director LR, AVP Operations and Director, CMC. At the conclusion of the review, this arrangement, with any modifications, will be implemented on the system. This period may be extended upon mutual agreement of the parties should it be required to ensure proper implementation.

This agreement will be implemented on voluntary basis at each terminal for all applicable road employees upon written request from the Local Chair (s) of the TCRC to the proper officer of the company.

If you are agreeable with the foregoing, please indicate your concurrence below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I concur

I concur

D. Able
General Chairman
TCRC (E) West

D. Olson
General Chairman
TCRC (T) West

I concur

I concur

T. Beaver
General Chairman
TCRC (E) East

D. Genereux
General Chairman
TCRC (T) East

Appendix 13 - Letter – Annual Vacation – Peak Vacation

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations during bargaining pertaining to your desire to increase opportunities for employees to take annual vacation during summer vacation

In order to provide more opportunities to a greater number of employees during the summer and recognizing the restriction on employees from taking their full allotment of annual vacation weeks during that time, it was agreed that during the summer prime time vacation period:

- One additional annual vacation slot over the flat line will be provided to the following terminals: Wynyard, Wilkie, Minnedosa, Mactier, Sudbury, Windsor, Hamilton and Regina. The 12 weeks will be divided equally between Trainmen and Engineers.
- Two additional annual vacation slots over the flat line will be provided to the following terminals: St. Luc, Smiths Falls, London, Chapleau, Schreiber, Thunder Bay, Kenora, Brandon, Medicine Hat, Lethbridge, Red Deer, Edmonton, Cranbrook, Revelstoke, Sutherland and Kamloops. One slot will be provided to Trainmen and one slot to Engineers.
- Three additional annual vacation slots over the flat line will be provided to the following terminals: Vancouver, Calgary, Winnipeg, Moose Jaw and Toronto. One slot will be provided to each vacation list.

The summer prime time vacation period is defined as a 12 week period which includes the last week of June and the first week of September.

If this accurately reflects our conversations, please so indicate by signing below.

Sincerely,

J. Bairaktaris
Director, Industrial Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 14 - Letter - Earned Days off/Banking Non-Chargeable Miles

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our discussions during bargaining regarding the inclusion of a provision for unpaid earned days off (EDOs) and the banking of non chargeable miles and payments.

During conversations, it was recognized that a large number of employees consistently attend work and on occasion require time off for family and other personal issues but may have difficulty acquiring such time off with certainty.

In order to address this concern while, at that same time, ensuring that operations are maintained it was agreed that effective first of the month following ratification, employees would be provided the ability to earn and take EDOs as well as to bank and draw down non chargeable miles and payments according to the following guidelines. If technical difficulties arise, this implementation period may be extended by mutual agreement.

a) Earned Days Off (EDOs)

1) Earning Days

- Employees will earn 1 (one) day's credit (unpaid) per each 4 week consecutive period without a voluntary absence from work, to a maximum of 12 days at any given time. The weekly period will coincide with the weekly crew change. For clarification, the 4 week consecutive period will be rolling.
- Voluntary absences include a personal leave of absence (excluding EDOs), missed call, sick day and any absence without authorization. Absences of elected local representatives for Union business will not be considered a voluntary absence in the calculation of consecutive calendar days.

2) Taking EDOs

- Once credits are earned, the employee may utilize one or more of these short term leave days within certain windows within their particular mileage period. Employees who have a credit of one or more earned days off may draw upon any of their banked payments to coincide with their EDO. Additionally, should the employee obtain an authorized leave of absence through the local manager or

through local practice, they may draw upon any of their banked payments to coincide with such leave.

- Each employee will be assigned one window within their mileage period, each consisting of three consecutive calendar days. These windows will be assigned as the individual employees' earned days off window. The purpose of these windows is to establish a method by which the employee may have an opportunity to plan an earned day(s) off with certainty. Windows will be staggered throughout the month so that there are not an unreasonable number of employees with the ability to be off the working list at one particular time. This window commences at 0800 on the 15th day of an employee's mileage period and ends at 0800 on the 18th day of the employee's mileage period. One EDO credit will be deducted from the employee's bank for each 24 hour period or portion thereof that an EDO is taken. An EDO must commence at 0800 on either the 15th, 16th or 17th day of the mileage period.
- Employees utilizing earned day(s) off within one of their particular windows will notify the crew management center at least 72 hours prior to scheduling one or more of their earned days off within their assigned window. Should the situation change and the employee did not, or was not able to provide such advance notice to CMC, the scheduling of an earned day off within the window must be scheduled through the local manager and obtain his approval for such. An employee may schedule earned day(s) off outside one of their windows with the approval of the local manager.

3) Administration

- Earned days off will not constitute a penalty in the application of any guarantee, but will prorate the number of days of the particular guarantee.
- It was recognized that prior to implementing EDOs the mileage dates would be readjusted to ensure an equal distribution of dates throughout the month over a 28 day period. This would be done locally on a terminal by terminal basis jointly with the local chairs.
- For the purposes of General Holidays, employees taking an EDO will be considered as available.

4) Review

- Within six months of implementation, the General Chairs and Director, Labour Relations will meet to review the functioning of EDOs to ensure it meets the objective of providing time off for employees to address personal issues while, at that same time ensuring that operations are maintained. Items to be reviewed and adjusted, where necessary, include, among others: adding another window in the month, adjusting the length of the window(s), start/end time of the window, and board placement when returning from taking an EDO.

b) Banking of Non-Chargeable Miles

1) Banking Miles

- An employee will be able to indicate on the first weekly bid of the month of their desire to bank all non chargeable miles. Such an election may be changed each month.
- During that period, non-chargeable miles will not be paid and will be held by the Company. Interest will not be paid on these monies.
- For clarification, all regular deductions will apply at the time these monies are paid .

2) Drawing from the Bank

- Should sufficient funds exist, an employee will be paid the equivalent of their daily Annual Vacation rate for each EDO taken.
- Upon layoff, an employee may elect to withdraw all monies from the bank.
- As of the first pay period in February of the year following the year the miles were banked, all monies in the bank earned in the previous year will be paid out.

c) General

Recognizing that this is a new provision, the parties retain the right to modify the terms upon mutual agreement to ensure that it meets the objective of providing time off for employee who regularly attend work while, at the same time, ensuring that operations are maintained and that it is administered in an efficient and cost effective manner.

If this accurately reflects our conversations, please so indicate by signing below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Questions & Answers for Clarification

- 1) Do EDOs apply to all employees in road & yard service?
- Yes.
- 2) Once I book an EDO in my window, can the company take it away from me?
- No. Under special circumstances a manager may request an employee to move the EDO. This may only be done with the employee's agreement.
- 3) If I properly notify the CMC of my intent 72 hours in advance of taking an EDO during my window, can the Company deny giving me an EDO?
- No.
- 4) If I arrange for a Leave of Absence (LOA) before my EDO in order to bridge the gap between the end of my rest and the start of my EDO, will this LOA count as a voluntary absence and reduce my ability to earn an EDO?
- No. Further it will not be considered a penalty against a guarantee.
- 5) Will EDOs be given priority over LOAs?
- Yes. EDOs will be given priority and will not be denied if the CMC is notified at least 72 hours prior to the date of the EDO.
- 6) How will my turn be handled when I book back on from an EDO?
- It will be handled in the same manner as returning from LOAs are handled at your terminal. This process will be assessed during the review.
- 7) Will the establishments of EDOs reduce the amount of available LOA slots?
- If successful, it is anticipated that EDOs will reduce absenteeism and increase the ability of the Company to provide LOA slots. This matter will be assessed during the review.

EDOs will supersede LOAs on any given day. To illustrate this, in a terminal that previously had 10 LOA slots per calendar day for authorized leave, if there are 3 employees that use EDOs that day, there will be 7 LOA slots available for employees to obtain LOAs that day i.e. 10 employees in total can still be on authorized leave that day. Similarly, if no employees, are taking EDOs on a given day then the full slots available for authorized leave on that day remain available as before. Using our example above, 10 LOAs can be approved for that day.
- 8) If I want to take a leave of absence during my window, must I take an EDO?
- No. Employees, may, at their discretion, elect to use their EDO on a given day or simply request an LOA. The decision rests with the employee alone.
- 9) What is the difference between EDOs and LOAs?
- EDOs are earned and cannot be denied.

- LOAs are allotted based on operational requirements on an ad hoc basis, and may be denied.

10) Can the Company eliminate EDOs as part of the review process?

- No. It is in the interest of the Company and the Union to make EDOs work. The intent of EDOs is to provide employees with guaranteed time off to address Work/Life balance while, at the same time, meet the needs of the operations.

11) How do I notify the CMC of my intent to take an EDO?

- Initially, you can phone the CMC or send an e-mail or a fax. The objective over the long term is to implement an automated system.

12) How do I identify how many EDOs that I have?

- Initially, crews can phone the CMC. Once changes are made to the CMA system, this information will be made available to be viewed by employees.

13) If I have notified the CMC of my intent to take an EDO and then no longer require it, can you cancel your EDO?

- Yes. You must notify the CMC as far in advance as possible but no later than the start time of the EDO. Failure to provide such notification, will count as taking an EDO however, you may book on anytime afterward following the EDO book off.

14) Are EDOs considered pensionable service subject to pension arrears calculations?

- No. It is treated as an LOA and is deemed a non pensionable absence.

15) If I have been granted a LOA can my leave be cancelled because another employee takes an EDO on the same date?

- No.

Appendix 15 - Letter – Bunkhouse Committee

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

During our current round of negotiations we had a significant amount of discussion with regard to the modernization and retention of rest house conditions and standards. The changes made to the related collective agreement articles reflect the progress made in this area. That said, the Union remains concerned that there can be ongoing issues relating to rest houses that need to be addressed at the local level between Company and Union representatives. The established forum for these local undertakings continues to be the local rest house committees for the Union, and local managers and representatives from the facilities group of the Company.

Accordingly, the purpose of this letter is to confirm our joint commitment that these local representatives have both the authority and the obligation to deal with site specific issues that ensure the rest house facilities are equipped and maintained to provide the appropriate conditions for crews to obtain rest, meals and spend time between trips.

The list below, while not exhaustive, outlines a number of issues that should be dealt with by the local representatives of our respective organizations. Any issues not able to be resolved at this level will be escalated accordingly within both of our organizations.

- Building maintenance issues
- Cleaning issues
- Types and number of pillows to be provided
- Bedding and cleaning schedules
- Amenities provided in sleeping and common rooms
- Transportation to and from the work location where required

Please confirm your agreement to the above by signing where indicated below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

cc: Doug McFarlane
Scott Mac Donald
Guido Deciccio

Appendix 16 - Letter – Automation of Trainmen Spareboard Guarantee Payments

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations pertaining to the automatic calculation and payout of Trainmen Spareboard Guarantee payments.

Although the Company could not accede to your demand to automate Spareboard Guarantee payments, the Company did commit to review the feasibility of automating such payments during the closed period

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

Mr. D. Genereux
General Chair- Trainmen East

Mr. D. Olson
General Chair- Trainmen West

Appendix 17 - Letter – Monthly Mileages

December 5, 2007

Mr. D. Olson
General Chairman- Trainmen West
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chairman- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations pertaining to changes made in the current Memorandum of Settlement which impact monthly mileages and your concerns that such changes could result in the lay off of current employees.

Although it was anticipated that these changes would not result in any layoffs, the company committed that it would not layoff any employees hired prior to January 1, 2008 as a result of implementing the auxiliary board and providing employees with the ability to voluntarily declare over miles as non-chargeable.

It was agreed that this issue would be monitored at the local level. Where it is shown that the growth of these non chargeable miles would result in the lay off of an employee, such layoff would not be affected.

Any disputes that cannot be resolved at the local level will be immediately escalated to the appropriate AVP – Operations by the respective General Chairs for resolution.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Olson
General Chair, Trainmen West

D. Genereux
General Chair, Trainmen East

Appendix 18 - Letter – Layoff & Recall

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations during bargaining pertaining to the demands of both parties relating to clarifying the application of the Layoff & Recall provision; specifically how the 10 day notice of lay off applies.

Although the parties could not reach agreement on this issue, in order to obtain an eventual resolve, the following was agreed:

- Within 60 days of ratification, the parties would meet to attempt to resolve the dispute generally as well as the outstanding grievances related to this subject.
- Should the parties be unable to resolve the dispute, the issue will be referred to one of the standing arbitrators at the Canadian Railway Office of Arbitration & Dispute Resolution (CROA&DR) to settle in a mediation/arbitration process.
- Such mediation/arbitration process must be completed within 6 months of ratification.

If this accurately reflects our conversations on this matter, please indicate your concurrence by signing below.

Yours truly

J. Bairaktaris
Director, Labour Relations

I Concur,

Mr. D. Genereux
General Chair- Trainmen East

Mr. D. Olson
General Chair- Trainmen West

Appendix 19 - Letter – Seniority New Hires

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations pertaining to the hiring of new employees who graduated from a recognized Conductor Training Program at a post secondary institution such as SAIT, BCIT, George Brown College, et all and how the establishment of their seniority will be administered.

It is agreed that the establishment of seniority will be based on their “first paid trip” as outlined in Article 36.05 and 43.01 Trainmen’s West and Article 36.05 and 38.04 of the Trainmen’s East Collective Agreements and it will be established upon actual commencement of training as provided within the Collective Agreement at the terminal in which the employee is hired to be employed.

Should there be a training class scheduled to begin training at that terminal, and the trainees have been interviewed and selected, the college new hires will begin training on the same scheduled day as the other trainees. Otherwise, the college hires will begin training at a mutually agreed upon date following the interview process.

When more than one employee commences their “first paid trip” on the same day, their placement will be based upon the date and time each applied for the position of trainman yardman within the district, on the region and across regions, without consideration to differing time zones.

Yours truly,

J. Bairaktaris
Director Labour Relations

I Concur,

Mr. D. Genereux
General Chair- Trainmen East

Mr. D. Olson
General Chair- Trainmen West

Appendix 20 – Letter - Seniority Rewrite

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Dear Sir;

This refers to our various discussions regarding our attempts to complete the rewrite of the seniority provisions as they apply to Trainpersons.

In this regard the intent of both parties was to review the language provisions of the Consolidated Collective Agreement as they apply to trainmen and rewrite the language provisions for clarity and simplification, without making any fundamental changes to the scope or intent of the language.

To ensure that this issue was properly addressed it was agreed that the Company and Union would continue with their review and rewrite of the seniority provisions during the closed period.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

Mr. D. Genereux
General Chair- Trainmen East

Mr. D. Olson
General Chair- Trainmen West

Appendix 21 - Letter – Joint Investigation Training

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our various discussions regarding the feasibility of the Company and Union engaging in joint investigation training during the closed period.

It was agreed that during the closed period, the parties would meet to jointly develop a Joint Investigation Training Program which will include training on the new harassment investigation language. The Company will bear the initial development costs of the actual training program in respect of consultant fees, if any, management costs, the joint development meetings and the instructors.

The Company and the union will each bear the costs associated with their respective local representatives for attendance at the training program except that the Company will be responsible for up to one day pay of training at RQ rates for local union officers participating in the program. To the extent possible, training programs will be held at various home terminals to reduce travel costs.

It was further agreed in developing this training program, the parties may seek to utilize various methods to provide the training, including onsite training, webcasts or video conferencing and would seek assistance under the Labour-Management Partnership Program to defray the costs of development and delivery of the program.

If you are agreeable with the foregoing, could you please indicate your concurrence below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 22 - Letter – Held out of Service Pilot

December 5, 2007

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sir,

This refers to our discussions regarding your concerns pertaining to employees being held out of service for an extended period of time both prior to and pending an investigation.

Although it was recognized that the Company has the right to hold employees out of service for an investigation according to the terms of the agreement, in order to address your concerns the following was agreed:

- A pilot program would be implemented for Trainpersons East of Thunder Bay the first of the month following ratification.
- During this pilot program, when an employee has been suspended for an investigation for more than 10 calendar days due solely to the Company the employee will be paid lost wages for the time in excess of 10 calendar days whatever the decision may be.. This period may be extended upon mutual agreement.
- This pilot will be put in place for the duration of the contract and may be modified or cancelled upon mutual agreement.

If you are agreeable with the foregoing, could you please indicate your concurrence below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D.Genereux
General Chair, Trainmen East

Appendix 23 - Terms of Reference – CMA Committee

- 1.- 4 Union Representatives of the TCRC will be appointed to the Committee by the respective General Chairmen;
- 2..1 from each craft, per General Committee;
3. Representation from the USW will also be on the CMA Committee.
4. Lost wages and normal expenses will be allowed for Committee members, while undertaking committee work;
5. The Company will appoint the necessary number of Company Reps as required;
6. The parties will meet at pre-determined locations at least once every 12 months. Additional meetings may be arranged as deemed necessary by the Committee.
7. Agenda's will be produced at least 30 days prior to a properly scheduled meeting unless matters needing immediate attention arise within the 30 days;
8. The scope of the duties will be as follows;
 - a) Initial point of contact for CMC/CMA issues and/or changes
 - b) Committee members will jointly work through issues or problems in a proactive manner
 - c) Committee members will bring issues forward in a timely manner and will receive a response from a Company or Company appointed committee member within a reasonable period of days. Likewise, takeaway items given to any Unionized representative will be followed up and reported back to the CMA committee within a reasonable period of time. This will not replace the formal grievance procedure of the respective collective agreements.
 - d) Committee members will have the ability to seek clarification from the appropriate source on issues pertaining to CMA/ CMC and the mechanisms present therein
9. The CMA committee is not intended to "negotiate" resolves to disputes unless vested with the authority to do so by the General Chairs and VP Transportation ;
10. Before progressing matters or any perceived outstanding matters to the General Chairs, issues will be discussed beforehand with the entire committee.
11. The General Chairmen and the VP Transportation will receive minutes from all committee meetings. The General Chairmen and the VP Transportation will review the effectiveness of the Committee on an annual basis and provide any recommendations for changes or modifications to the committee if required.

Appendix 24 - Letter – Cab Committee

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our discussions during bargaining pertaining to a cab committee. It was confirmed that a Locomotive Cab Committee presently exists and consists of one Union representative from each General Committee as well as Company representatives.

The Committee provides a forum for Train Crews to discuss items of mutual benefit and concerns dealing with the design, maintenance, and operation of Locomotive Cabs.

It is the intention of the Union and Company to continue with this Cab Committee with meetings to be arranged as required, with the minimum of once per year unless otherwise mutually agreed.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 25 – Letter - Union Security

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sir;

This refers to our numerous discussions during the current round of negotiations regarding Union Security and more specifically concerns the Union raised regarding the improper application of this article.

While the parties were unable to come to any agreement to revise the current article, the Company heard the Union's concerns in this regard. On that basis, the Company is prepared to accept that any employee who is set up in any managerial position for a period of 1 year (365 consecutive days), will be deemed to be a permanent position and their seniority will be frozen.

To further address the concerns of improper application of this article, the Company is prepared to agree that employees who are set up in a managerial position for a period in excess of 60 days and who book back into the ranks short of 365 days, shall be required to book on for a minimum of 120 days. If the employee accepts another managerial position prior to the expiration of the 120 days, they will be deemed to have worked continually in a managerial position.

An employee occupying a management position on a temporary basis will continue to have the equivalent of normal Union dues deducted for the duration of the appointment.

To enable presently affected employees the opportunity to make an informed career decision, these provisions shall take effect 60 days after ratification. For clarification, at the end of the 60 days, if the employee decides to remain a manager and has more than 365 consecutive days as a temporary manager, their seniority will be frozen on day 61. If an employee decides to remain a manager and has less than 365 consecutive days as a temporary/permanent manager, their seniority will be frozen as of the 365th day should they not return to the ranks prior to that time in accordance with this letter.

In the event of a legal work stoppage at CP, no employees from the TCRC will be set up in to a temporary management position for the purposes of engaging in the work of the striking union, or replacing a manager who is working as a replacement worker in the

striking union. Should this occur, the employee will be deemed as holding a permanent manager's position for the purpose of this article.

Respecting the intent of this letter, this provision may be waived by mutual agreement between the General Chair and the Director Labour Relations.

If you agree with the foregoing, please indicate your concurrence below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 26 - Letter – E-Learning

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our discussions, during negotiations, concerning E-Learning (Electronic Learning).

During our discussions, it was recognized that E-learning could prove as a useful tool to provide training to running trades employees on a variety of subjects. As such, it was agreed that during the closed period, the Company and the Union, would jointly develop and make available e-learning training modules to assist running trades employees in gaining a better understanding of their health care benefits, their pension program, as well as safety modules which would include “rules of the week”. The Company would bear the cost of development and presentation of such modules, and it was agreed that employee use of the above training is voluntary and without compensation.

It was also agreed that the Company and the Union would jointly review the use and employee feedback from these E-Learning modules, and would then jointly develop a pilot E-Learning program that would be tested prior to the next round of RQ. Such a test would include certain modules that would be contained in one day of RQ. These modules would be web based, interactive, and permit employees to study during their off duty hours. During the pilot, a flat rate of eight hours at the RQ Rate would be established for completing these modules. One full day of the RQ program will remain in the classroom to review and discuss rules with qualified instructor(s) and peers, take the exam and any review additional rules, operating practices, or safety related subjects as mutually agreed.

In order to defray costs the parties will jointly apply for funding under the Labour Management Participation Program. Upon completion of the pilot, experience with the program will be jointly reviewed by the Company and representatives of the Union and modified accordingly. At any point, should the Union have just and reasonable cause to withdraw from this pilot project it may do so upon 30 days written notice.

If there is mutual agreement to continue, the new E-learning RQ program would then be made available to running trades employees on an optional basis parallel to the standard RQ classroom training programs and will include a flat rate for the completion of the modules. Employees may elect what RQ training program they would prefer to take.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 27 - Letter – Discrimination & Harassment training

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs:

This refers to our discussions regarding the provision of discrimination & harassment training to employees on the system.

In this regard it was agreed that during the term of this contract, the Company would arrange to provide for Harassment training at those locations where such training has not yet been provided.

Such training may be provided on its own, or may be combined with other training sessions or safety meetings being held at the respective terminals. Appropriate payment will be provided for such training.

Given the nature and scope of the training the Company may also arrange for the harassment training to be provided in several different mediums. Aside from traditional classroom training, the Company may arrange to provide this training through webcasts or other means.

Trusting this addresses your concerns.

Yours truly,

J. Bairaktaris
Director, Labour Relations

Appendix 28 - Letter – Introduction of New Equipment

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our discussion during bargaining concerning training for new equipment.

You raised concerns regarding the type of training that was provided when new equipment or technology was introduced to the workplace indicating a preference for on the job training as opposed to job aids.

The Company committed that prior to the introduction of new equipment or technology, the Company will discuss with the Union the most appropriate approach to training. For example, the Cab Committee would be used to jointly determine how training for new technology would be introduced on locomotives and the CMA Committee would be used to jointly determine how training for new technology would be introduced with the Crew Management Application. Where such mechanisms are not appropriate, or the committees can not agree, the matter will be referred to the applicable General Chair and AVP Operations for discussion.

Sincerely,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 29 - Letter – Development Payment Rate

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our discussions, during negotiations, concerning E-Learning (Electronic Learning) and Joint Investigation Training.

During our discussions, it was agreed the General Chairs would provide one representative in the development and presentation of these projects. In these circumstances it was agreed that the company would provide payment of reasonable expenses and payment of wages at the agreed upon “Trainer Rate”.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 30 - Letter - Process for Establishing Abeyance Code

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This refers to our discussion during bargaining concerning the process for establishing an abeyance code.

During our conversations it was recognized that the purpose of an abeyance code was to track multiple claims relating to a specific dispute at a location, while a grievance related to pay was being resolved.

In order to ensure clarity regarding the process for establishing a code, the following was confirmed:

- A grievance is filed regarding a claim for payment.
- If it is expected that this circumstance will occur on a regular basis during the grievance procedure, the local chair may make a request to the local manager that an abeyance code be established.
- The local manager will review the matter with Labour Relations to ensure that the requested code falls within the purpose of the codes as outlined above.
- When in accordance with the purpose, Labour Relations will arrange that the CMC establish an abeyance code and issue a bulletin detailing when the code should be used and what supporting information, if any, is required.

- Where deemed inappropriate (e.g. the dispute is defined too broadly or there is little opportunity for reoccurrence) an abeyance code will not be established. In such cases, the appropriate General Chair(s) will become involved, and after discussions if there remains a dispute regarding the opportunity for reoccurrence the abeyance code will be established in order to determine if the matter under dispute actually results in repetitive claims.

Sincerely,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 31 - Letter – Days Worked & Available

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sir;

This is in regards to our conversations during bargaining pertaining to the meaning of days “:worked and/or available” in the calculation of days of annual vacation (AV).

It was confirmed that the reference to days “worked and/or available” referred to the majority of the day. For example if a Road employee with 14 years continuous service worked or was available for the majority of each of 312 days in the preceding year, the employee would be entitled to 24 days (3 weeks and 3 days) of AV for the following year. (This is determined by dividing 312 days by 13 as provided for in the collective agreement.)

It was further agreed that, at the employee’s discretion, the number of days of AV would be rounded up to the nearest work week. (See Matrix attached in Appendix B). In the example above, the employee could choose to take 4 weeks AV. (Note that this would not increase the pay the employee received for the AV.) Such election would be required to be made on the bid for annual vacation. An employee who chooses not to round up to a full week may take the less then full week period at mutually agreed upon times throughout the year.

It was further agreed that employees earning their maximum monthly mileage will not see their annual vacation allotment negatively impacted, regardless of their availability during the month in question.

Finally, it was confirmed that in the application of this clause that days on union leave and authorized Company business leave would be considered as days “worked and/or available” for the purposes of this calculation.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 32– List of Deleted/Archived provisions

Article 9.01 Trainmen West – Consist of Road Crews

Article 9.01 Trainmen East

- Agree to Archive 9.01 Sub 4 – Sub 10

Article 10 Trainmen West – Conductor Only

Article 10 Trainmen East

- Agree to Archive 10.06 – 10.11
- Agree to Archive Q &A 10.06 – 10.09

Article 1.07 Trainmen East – Road Railer Service

Article 1.15 Engineers East

- Agree to Archive

Article 1.18 (7) Engineers West, Lloydminster to Edmonton – Fixed Rate

Article 1.24 (7) Trainmen West

- Agree to Archive

Article 1.16 Sub 17 Engineers East Road Railer reference

Article 1.18 Sub 17, Article 31 Trainmen East

Article 1.24 Sub 17 Trainmen West

Article 1.18 Sub 17 Engineers West

- Agree to Archive

Article 2 Engineers East – Passenger Service

- Agree to Archive

Archive Reference to Yardmasters – Numerous Articles in all books

Article 85 Trainmen West – Numbers should reflect Article number presently numbered as 84

Article 22 Trainmen East – Customs

- Agreed to Archive

Fact Finding Process Letter

Page 116 Engineers West

Page 142 Engineers East

- Agreed to Archive

Letter re: Expressway

Trainmen East Page 241

Engineer East Page 149

- Agree to Archive

Letter re: Rocky Mountaineer
Engineers West Page 114
Trainmen West Page 206

- Agree to Archive

Letter re: Crew Consist on Self Propelled Equipment
Trainmen West Page 215

- Agree to Archive

Letter re: IDR's
Engineers East Page 105
Trainmen East Page 192

- Agreed to Archive

Letter re: Crewing of Automated Hump formerly Appendix B-53
Trainmen East Page 193

- Agreed to Archive

Letter re: Assessment of Discipline
Trainmen East Page 177

- Agree to Archive

Letter re: Work Rule forum
Trainmen East Page 182

- Agree to Archive

Letter re: Union Dues
Engineers West Page 109
Trainmen West Page 200
Engineers East Page 117
Trainmen East Page 216

- Agree to Archive

HRIS / CCS Letter

Agreed to eliminate letter

- Engineer West Page 115
- Trainmen West Page 205
- Engineer East Page 141

New paragraph inserted in Av letter Days worked and available.

TCS – Archive (Note) in Article 5.02 (15)

- Engineer East Only
- Article 5.02 (15)

Starting Rate Provision
Trainmen West Page 92

- Agree to archive letter

Eliminate Advance Locomotive Engineer Training Letter November 13th, 2004
Trainmen West Page 194. Trainman East Page 205.

Add to Trainmen West Article 84 and Trainmen East Article 75

Archive Kawartha Lakes Letters
Page 149 Engineer East

Archive Commuter Rail Montreal Letter
Page 148 Engineer East

Archive Roadrailer letter
Page 118 Engineer East

Archive District local rules for Farnham, Ottawa, Quebec and Winchester Seniority
Districts
Page 119 Engineer East

Archive Local Rules on behalf of Locomotive Engineers employed on the Ontario
District including Appendix A
Pages 124 and 129 Engineer East

Archive Local Rules on behalf of Locomotive Engineers employed on Chapleau,
Schreiber and Sudbury Seniority Districts including Appendix "A", "B", "C", "D"
Pages 130,133,135,136,137 Engineers East

Appendix 33 - Letter- Payment for periodic medical examinations – Lost wages

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This has reference to our discussions during the recent negotiations with respect to your concerns relating to payment to employees who have suffered lost wages due to attendance at Company arranged medical examinations.

During these discussions, the General Chairs have alleged that occasions have arisen wherein the working schedule or location of an employee has prevented them from attendance at such appointments on their off-duty time and they have accordingly been required to lose wages to attend.

You were advised that to the extent possible, the Company attempts to schedule medical examinations at locations and times that would permit employees to attend during their off- duty time; when off for miles, between trips, or on scheduled days off. In certain cases, however, it appears there is still an issue when the Company Medical Officer makes arrangements for the employee to attend a medical examination.

To address this situation, the Company indicated that if unusual circumstances prevail whereby employees cannot adjust their work schedule to attend such medical examinations in their off-duty time, and would lose wages as a result, they should inform the Company in order that appropriate action can be taken to permit their attendance. This should be done as far as in advanced of the necessity for the medical examination.

In the above circumstance, if the employee is required to miss work to attend, the Company will pay lost wages. It was also agreed that if employees are required by the Chief Medical Officer to submit to a medical examination at other than their home terminal, expenses will be provided subject to prior approval of local managers.

If you are prepared to agree to the foregoing, could you please indicate your concurrence below.

Sincerely,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 34 - Letter – Periodic Medical Examinations - Clarification

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is further to CROA Award 3501 and our ongoing discussions during this current round of bargaining pertaining to the application of the award.

Given our discussions it was agreed that payment under the article would be provided in the following circumstances:

- 1) Employees currently working in a running trades position and have been instructed by the Chief Medical Officer (CMO) or his designate to attend a medical assessment with or without a submission of a medical report during their off-duty hours.
- 2) Payment would apply in circumstances for both general medical assessments and for the monitoring of specific conditions as required by the CMO or his designate under the regulations. For information, guidelines regarding general medical assessments are as follows: every five years until the age of forty and every three years thereafter until retirement or until no longer employed in a Safety Critical Position. Medical assessments for the monitoring of specific conditions are established on a case-by-case basis as deemed necessary by the CMO or his designate in applying the Railway Medical Guidelines. It should be noted that these medical assessments for the monitoring of specific conditions may be more frequent than general medical assessments.
- 3) Payment would also apply for separate hearing and vision examinations required by the CMO or his designate, subject to the exceptions outlined below,.

It was further affirmed that employees would NOT be eligible for payment under this article in the following circumstances:

- 1) Where the medical assessment is not required by the CMO or his designate under the Regulations.
- 2) Employees who are off work due to an “on-duty” or “off-duty” injury and have not yet been cleared to return to work without restrictions.

3) The assessment and report is for the general assessment of vision and hearing where such tests have been part of the general periodic medical assessment. Additionally, payment for vision or hearing tests would not be applicable where such tests have been offered to employees at their worksite by the Company and employees have not taken the opportunity to avail themselves of such assessments.

Finally, in all circumstances, it is understood that payment is only required in circumstances where a Periodic Medical Examination is required by employees during their off-duty hours.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 35 - Letter - Consolidated Collective Agreement

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs:

This refers to our various discussions during the current round of bargaining and the commitment made in the last round of bargaining concerning the consolidation of the four current collective agreements for running trades employees being administered by the Teamsters Canada Rail Conference at Canadian Pacific.

Based on our discussions, it was understood that subsequent to ratification of the Memorandum of Settlement, the appropriate articles in the four existing collective agreements and corresponding archive documents will be updated. The revised content of the four updated agreements will be reorganized, combined and published in a new Consolidated Collective Agreement without altering the substance and intent of the language.

The deadlines associated with the printing agreements are relaxed only to the extent necessary to facilitate the timely translation and publication of the Consolidated Collective Agreement. It was agreed that the Director Labour Relations and the General Chairs would meet within 30 days of ratification of the contract to arrange a process to confirm the provisions of the Consolidated Collective Agreement. The agreed upon Consolidated Collective Agreement would then be printed and distributed within 60 days of the final signoff of the contents of the Consolidated Collective Agreement.

Yours truly,

J. Bairaktaris
Director, Labour Relations.

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 36 - Letter – Kawartha Lakes

December 5, 2007

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This has reference to various discussions during this round of negotiations concerning the need to address issues unique to the Kawartha Lakes Railroad.

It was agreed to renew the Collective Agreement between Canadian Pacific Limited and the Teamsters Canada Rail Conference on behalf of the Trainpersons and Locomotive Engineers employed on the Havelock/Nephton Internal Shortline.

The following amendments will apply affective January 1, 2007.

1. Article 3 pensions and benefits amended establishing increases under the terms of the National Agreement, Memorandum of Settlement dated December 5, 2007.
2. Article 5, clause 5.4 will be amended to increase wages under the terms of the National Agreement, Memorandum of Settlement dated December 5, 2007.
3. Article 25, clause 25.1, duration of Agreement will be amended to reflect renewed for a period of five years commencing January 1, 2007.

If you are agreeable with the foregoing, could you please indicate your concurrence below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

Mr. T. Beaver
General Chair- Engineers East

Mr. D. Genereux
General Chair- Trainmen East

Appendix 37 - Letter - Local Rules

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sir;

This refers to the Company letter dated September 9, 2006, in connection with the abolishment of local rules.

The Company's intent is to review, simplify, document and standardize local rules.

In order to facilitate this in an orderly manner, the following process will take place:

- 1) The Local Chairs and Local Managers at each location will provide all existing local rules, practices, agreements etc., as a single package to the appropriate General Chair and to the Director of Labour Relations. This will include any verbal agreements which will be put into writing.
- 2) The General Chair and Director, or their representatives, will review all local rules and will document those that they can agree to. In addition, the parties shall review and sign off on local rules specific to the respective terminals.
- 3) If there are issues with the local rules package, they will be returned to the Local Chair and Local Manager to resolve the issue within 30 days. Issues not resolved locally will be escalated for resolution.
- 4) As part of this process, it is agreed that local rules without cancellation clauses will now be subject to a standard 30 day cancellation clause that can be triggered by either party.
- 5) Local rules that cannot be agreed upon, and that are seen as valuable by either party can be escalated to the Assistant Vice-President of Industrial Relations and the Vice-President, TCRC for review.
- 6) Any future local rules will not be recognized by the Company unless this process is followed and the local rules are appropriately documented.

- 7) Locations that presently have local rules that provide for rest beyond 24 hours will continue to maintain this rest provision for the duration of this agreement, except that if there is a concerted use of the local rest rule to initiate any type of illegal work action as determined by a third party, such as the Canada Industrial Relations Board. In such instances, the extended rest rule will be immediately cancelled at that location.

The Director, LR and the GCs will meet within 60 days of ratification to schedule meetings, which will commence within 30 days thereafter.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West

Appendix 38 - Letter – Estoppel Issues

December 5, 2007

Mr. D. Able
General Chair- Engineers West
Teamsters Canada Rail Conference

Mr. D. Olson
General Chair- Trainmen West
Teamsters Canada Rail Conference

Mr. T. Beaver
General Chair- Engineers East
Teamsters Canada Rail Conference

Mr. D. Genereux
General Chair- Trainmen East
Teamsters Canada Rail Conference

Dear Sirs,

This is in regards to our conversations pertaining to three estoppel letters that were provided at the outset of bargaining on September 9, 2007.

Specifically, these letters dealt with the following issues:

- Payment to Turnaround Combination Service crews when they runaround crews at the Away-from-home terminal.
- Payment for Familiarization when crews exceed the “appropriate” number of familiarization trips
- The ability of the Company to establish Road Freight Assignments

Recognizing that there is a dispute concerning these issues, it was agreed that within 120 days of ratification, the parties would meet to attempt to resolve the issues. Should the parties be unable to resolve all three disputes, the outstanding issues would be referred to one of the standing arbitrators at the Canadian Railway Office of Arbitration & Dispute Resolution (CROA&DR) to settle in a mediation/arbitration process. Such mediation/arbitration process must be completed within 7 months of ratification. It was further affirmed, without precedent or prejudice, that no change in practice would occur until the matter was resolved.

If this accurately reflects our conversations on this matter, please indicate your concurrence by signing below.

Yours truly,

J. Bairaktaris
Director, Labour Relations

I Concur,

D. Able
General Chair, Engineers West

D. Genereux
General Chair, Trainmen East

T. Beaver
General Chair, Engineers East

D. Olson
General Chair, Trainmen West