



Teamsters Canada Rail Conference

General Committees of Adjustment
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Sisters and Brothers:

There have been many questions asked about the Memorandum of Settlement. This letter is to answer those questions received by our office.

Q. When will the ballots be sent out and when is the count date?

A. The ballots are being sent out on January 11 and must be returned by noon February 12 to be counted February 13, 2008.

Q. Why five years for the contract length?

A. The bargaining committee agreed to the five-year contract for various reasons. Our members wanted improvements beyond the "pattern" that was set by other unions. When we were at Division meetings to generate ideas for the contract, the membership at these meetings made it clear that they wanted the stability of a longer term contract. Improvements would not have been achievable in the "pattern" 3-year contract. A longer term enabled us to obtain greater benefits, Yard increases and locomotive switching along with other improvements in lifestyle issues. We were able to break the pattern in the third year by going the extra 2 years and getting the improvements that the members wanted.

Q. Why did we not line up with other bargaining units?

A. False information has been circulated that all Teamsters-represented employees would have lined up if a three-year pattern contract had been obtained. The RCTC contract ends December 31, 2008 and the MWED on December 31, 2009. We would not have lined up with the TCRC/RCTC. There have been discussions about how to unify the bargaining units so that all agreements expire at the same time. We feel that going the longer term will allow the other TCRC-represented units to line up with us, so that the contracts can expire at the same time, in order to unify the TCRC instead of continuing the problems we see with separate contract expiry dates. There have been those who have stated that the chance to unify will be gone forever if we accept this 5 year deal. We submit that this is the opportunity to finally unify all TCRC-represented employees and not just two groups as a few people want.

Q. *If the revised MOS is rejected, what will happen?*

A. During the latest process the Company made it clear that the revisions were as far as they were prepared to go. The message we received from the Company is that there is nothing left to negotiate at the table.

Q. *Is the Performance Incentive Plan going to be paid out for each year the contract is in place?*

A. Yes.

Q. *Is the P.I.P. going to be similar to the Gain Share Program that was introduced in a previous contract? Will the bar be raised each year the Program is in place, reducing the payouts to each member?*

A. Looking at other Unions' P.I.P. or Gain/Goal share over the years shows that on average they do not vary a great amount downward. We are hopeful that we will have the same success in this matter.

Q. *Why does the 25-cent Yard bump not happen until 2009/2010?*

A. Shift differential increases combined with Yard rate increases mean a significant increase for Yard employees who are our **lowest paid group**. For a Yard Foreman working the afternoon shift, the MOS **means an increase of over 20%** over the term of the contract. For a Yard Helper on nights it is **an increase of 21%** over the term of the contract. The Yard bump in 2009 broke the "pattern".

Q. *Why did the MWED receive a 1% lump sum in addition to General Wage Increases for 2007-2009?*

A. The information that we have is that the 1% payment is a redirection of the MWED payment that goes into an Employment Security Fund which was established in the early 90s. They are paying themselves their own money in a different way. We have no such fund upon which to draw.

Q. *Why was the length of run and length of train given back to the Company for people hiring after January 1, 2008?*

A. The membership clearly wanted an increase in the pension formula and did not want an increase in their contribution. The Company will have to put in an extra 6 million dollars every year, on top of what they contribute, to enable the 1.8% benefit for our members. The general wage increases over the term of the contract will more than offset the reduction of the length of run and length of train for people hired after January 1, 2008. This enabled us to get the Pension increase for all employees, both current and new hires. We are getting a \$6 million

annual benefit and the Company will not see full savings from the elimination of the length of run/length of train until the last person hired in 2007 retires over 30 years from now. Other unions at CP paid for the increase to 1.8% either through work rule changes, increased contributions, different wage increases or some combination thereof. This pension improvement will provide \$100 to \$125 improvement in pension per month, depending upon years of service. This will grow with the increases to the YMPE in the future for all in the years ahead.

Q. Is the CN pension formula more than ours?

A. Not a single union at CN is at 1.8% and, additionally, they are capped at \$62,000.00 per year. We have no cap, except for what is set by the government, which is 65% of approximately \$111,000.00 pensionable earnings this year allowing around \$72,000.00 pension income.

Q. Are our benefits simply a pattern like other Unions?

A. No other group at CP has massage therapy. CN also does not have it. There are additional increases in Weekly Indemnity, Life Insurance, Vision Maximum and Dental Maximum. Also, we now have the option to have access to Dental Benefits upon layoff. No other group at CP has this.

Q. Is our Co-pay worse than other Unions?

A. No. In introducing Co-pay, our deductibles were reduced by the SAME amount as other unions: \$35 for Dental and \$25 for Health. Our Health deductible continues to be higher than the other groups, as was the case in the past, because we have a better plan. (Better paramedical services, Out-of-Country coverage, No lifetime maximum on drugs etc). Other groups have a lifetime coverage maximum of between \$46,000.00 to \$50,000.00 - our plan is unlimited.

Q. Why was Co-pay included in this agreement?

A. It was a straight money issue of a full 1% wage increase offered for this provision. Running Trades are the highest paid craft at CP. A 1% wage increase for Co-pay is a significantly better deal for our members than for any other craft. Co-pay was instituted by other TCRC bargaining units first. Please see MOS Appendix, Letter 4 on how Co-pay works.

Q. Is it true that booking excessive rest will prevent employees from getting Earned Days Off?

A. Rest has no bearing on an EDO. You can take an EDO, without approval of the Company, upon notifying the CMC 72 hours prior to your window in your mileage period. This is the first time in the history of CP that we have guaranteed days off for all employees without having to ask for authorization.

Q. *Is it true that Compassionate leave is nothing more than what is already available through the Federal Government legislation?*

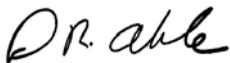
A. This provision is to apply in cases other than when Employment Insurance applies. Moreover, its application is broader than the EI compassionate care benefits which only apply to a person who has to be absent from work to provide care or support to a gravely-ill family member at risk of dying within 26 weeks. The Compassionate leave that we have obtained covers more issues such as family problems. Also, the rate of pay of the interest-free loan is at your AV rate for road and 5 days per week for yard which is significantly higher than EI.

Q. *Is it true that the letters of understanding have no benefit to the membership?*

A. No, many of the letters have allowed us to eventually achieve substantial benefit to our members. For example:

- Additional summer annual vacation slots.
- Drug Card.
- Addressing union security issues.
- Establishing Family Care arrangements.
- Protection of local rules providing for extended rest.
- Union involvement in training for new equipment.
- Periodic medical exam payments

Fraternally,



Dave Able
General Chairman



Dave Olson
General Chairman