TCRC-CPR Memorandum of Settlement Dec. 05, 2007

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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. T. Beaver General Chair- Engineers East TCRC Mr. D. Olson General Chair- Trainmen West 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 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. To allow for proper design of the program, it will come into effect no later than July 1, 2008.

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, productivity and financial 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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. T. Beaver General Chairman- Engineers East Teamsters Canada Rail Conference 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 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 Labour 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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 the 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

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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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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 audits 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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 its 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 to arrival time at the off duty point at the objective terminal and includes a standard tie up time.

Illustration

- employees called in straightaway service from terminal A to Z and properly 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, they 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, provide proper notice of rest and are off duty in 10
- on the return trip, the same employees are called in straight away service from hours and 30 minutes the away-from-home terminal, provide proper notice of rest and are off duty
- the total time beyond 10 hours to and from the away-from-home terminal is
- - 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.
- The additional rest provided for in Items No. 2 and 3 will not be used to reduce the spareboard guarantee or MBRs. 4.
- 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.
- 6. For clarity this applies to crews called in straightaway and turnaround service but does not apply to Turnaround Combination Service (TCS). This applies to crews in road service (assigned, unassigned and work train). This does not apply to crews in Yard, passenger or commuter service.

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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

D. Olson General Chair, Trainmen West

T. Beaver General Chair, Engineers East

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Appendix 11 - Letter – Family Care

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

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Appendix 12 - Letter – Home Terminal Rest

December 5, 2007

Mr. D. Able General Chair- Engineers West TCRC

Mr. T. Beaver General Chair- Engineers East TCRC Mr. D. Olson General Chair- Trainmen West 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 other 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(s) 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, NMC. 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

D. Able General Chair, Engineers West

I concur

T. Beaver General Chair, Engineers East I concur

D. Olson General Chair, Trainmen West

I concur

D. Genereux General Chair, Trainmen East

Appendix 13 - Letter – Annual Vacation – Peak Vacation

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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 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 or MBR but will prorate the number of days of the particular guarantee or MBR. 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

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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 or MBR.

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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

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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 trainces 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

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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 addresses 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen East

D. Olson General Chair, Trainmen West

Appendices to TCRC-CPR MOS - December 5, 2007

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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

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Appendix 29 - Letter – Development Payment Rate

December 5, 2007

Contra-

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Bcaver General Chair, Engineers East D. Genereux General Chair, Trainmen 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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.

Appendix 30 - Letter - Process for Establishing Abeyance Code

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen 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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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,

Classic Strategies

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, Lloydminister 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

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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

Sector Sector

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. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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.

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Appendix 34 - Letter – Periodic Medical Examinations - Clarification

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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.

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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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen East

D. Olson General Chair, Trainmen West

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Appendix 35 - Letter - Consolidated Collective Agreement

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen East

D. Olson General Chair, Trainmen West

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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

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Appendix 37 - Letter - Local Rules

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

T. Beaver General Chair, Engineers East D. Genereux General Chair, Trainmen East

D. Olson General Chair, Trainmen West

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Appendix 38 - Letter – Estoppel Issues

December 5, 2007

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

Mr. T. Beaver General Chair- Engineers East Teamsters Canada Rail Conference Mr. D. Olson General Chair- Trainmen West 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

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