

MEMORANDUM OF AGREEMENT

BETWEEN

CANADIAN PACIFIC (CP)

AND

TEAMSTERS CANADA RAIL CONFERENCE (TCRC)

CONCERNING THE EXPEDITED SERVICE RUNS BETWEEN LONDON, ONTARIO AND BUFFALO, NEW YORK
TERMINALS AND THE TORONTO, ONTARIO AND BUFFALO, NEW YORK TERMINALS

1. SCOPE AND INTENT

- 1.1. The intent of this agreement is to allow for the operation of trains in Expedited Service Run Service (ESR) between London and Buffalo; and Toronto and Buffalo.
- 1.2. For the purpose of this agreement, London will be the home terminal for trains operated between London and Buffalo. Buffalo will be the away from home terminal.
- 1.3. For the purpose of this agreement, Toronto (currently Lambton) will be the home terminal for trains operated between Toronto and Buffalo. Buffalo will be the away from home terminal. Changes to home terminal reporting locations will be bulletined in accordance with the Collective Agreement.
- 1.4. Hamilton and Welland will continue to be outpost terminals of London.
- 1.5. Crews operating in this service will be either assigned or unassigned.
- 1.6. Unless specifically superseded in this agreement, the provisions of the Collective Agreement(s) will apply.

2. EFFECTIVE DATE

- 2.1. This agreement will be effective as of April 6, 2016.

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3. CALLING PROCEDURES

- 3.1. Calling procedures for this service will be developed locally. It is understood that Hamilton will be removed from the calling decisions for this ESR service. Any disagreements will be escalated to the General Manager, Director, LR and the General Chairmen.
- 3.2. All employees in ESR service are required to be in and off duty at their place of rest (objective terminal) within twelve (12) hours.
- 3.3. Employees in ESR service will only be called when they have a full 12-hour clock. Such limitations will not be applied to employees in ESR service who are being called to deadhead.

4. POOLS

- 4.1. Home Terminal pools may be established at Toronto and London for this ESR service.
- 4.2. The number of ESR crews shall be determined by the number of pool miles for each respective location.
- 4.1. Unassigned pools will be regulated on a weekly basis and adjusted accordingly in accordance with Article 17 (CTY) and Article 33 (LE).
- 4.2. Crews will be called for service in accordance with Appendix B.

5. HAMILTON/WELLAND OPERATION

- 5.1. Hamilton and Welland are considered outposts of London.
- 5.2. Assignments may continue to be advertised with Hamilton or Welland as a reporting location.
- 5.3. The spareboard at Hamilton will be used to fill vacancies on local assignments at Hamilton and Welland.
- 5.4. In the event that the Hamilton common spareboard is depleted and/or there are no available Locomotive Engineers, spare work will be covered by London based employees. In those circumstances, the London WPP and decision rules will prevail.
- 5.5. Employees called to Hamilton/Welland on an ad-hoc basis will be paid deadhead and car mileage, in lieu of transportation in accordance with the Collective Agreement.

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5.6. London based employees who are placed on positions at either Hamilton or Welland under the Weekly Placement Process, will be entitled to accommodations, a deadhead at the start of the week and at the conclusion of their week as well as gas mileage in lieu of transportation at the outpost terminal should they require it, in accordance with the Collective Agreement.

5.7. The Hamilton Weekly Placement Process will remain in place as it pertains to the remaining assignments and common spareboard at that location. For AV purposes, Hamilton will be treated as an independent terminal.

5.8. Hamilton will maintain a crew base in order to staff yard assignments and/or road switchers and provide relief, as required.

6. COMPENSATION

6.1. Unless otherwise provided for in the agreement, compensation will be as per the Fixed Mileage Method of Pay.

6.2. It is agreed that the fixed mileage method of pay will apply to the each of the ESRs as referenced in Article 1.16 (LE) and Article 1.18 (CTY). The fixed mileages agreed to for these two ESR's are as follows:

ESR Run	Fixed Mileage	Threshold Times
London to Buffalo	200	304
Toronto to Buffalo	200	406

6.3. ESR crews who are deadheaded from terminal to terminal will be compensated as per Article 24 (CTY) and Article 5 (LE) in the Collective agreement except that an employee shall not be paid less than 125 miles for the day. ESR crews will be deadheaded by taxi unless highways are closed.

6.4. A crew who commences a straightaway tour of duty in ESR service in either Toronto/London or Buffalo and is deadheaded into or out of working service shall be paid same as if the crew had completed the entire working trip on the train to the objective terminal.

7. NR PAYMENT

7.1. The \$80.00 "NR" payment provided in Article 27.12 (LE) and Article 29.13 (CTY) of the Collective Agreement(s) applies to all crews operating in ESR Service between London/Toronto and Buffalo if the crew is on duty over 10 hours.

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8. ESR TRAIN SERVICE

- 8.1. Trains to be used in ESR service will be determined by the Company.
- 8.2. ESR crews will not be run in TCS.
- 8.3. Northbound trains between Signal 602-3 and CP7 may be crewed from the away from home terminal or a crew from the respective home terminal in turnaround service under the terms and conditions of this agreement (Items 6 & 7) in accordance with Appendix B. Northbound trains North of Signal 602-3 may be relieved with a crew from the away from home terminal under the terms and conditions of this agreement (Items 6 & 7).
- 8.4. Northbound trains requiring relief North of Signal 602-3 may be relieved with a crew called in turnaround service from the home terminal in accordance with the Collective Agreement. Northbound trains destined for London requiring relief on the Galt subdivision only may be relieved in accordance with the Galt subdivision calling procedures and in accordance with Appendix B.
- 8.5. It is not the intent to relieve Southbound trains in ESR service with crews from the away from home terminal, however, exceptional circumstances may warrant occasional turns to be called from the away-from-home terminal. In the event that a crew is required in turnaround service from the away-from-home terminal, the crew will be deadheaded to the home terminal upon completion of that tour of duty.
- 8.6. Toronto relief work shall be provided by Toronto crews in accordance with Appendix B. London relief work shall be provided by London crews in accordance with Appendix B.
- 8.7. ESR crews will run trains planned from the Home Terminal to Away-From Home Terminal or vice versa as defined in Article 1 of this agreement.
- 8.8. In cases in which crews are run long or run short of ESR crew change points, where ECCP exists, the provisions of Article 12.14 (CTY) and Article 5.12 (LE) will apply.

9. FAMILIARIZATION

Initial Familiarization

- 9.1. Employees who successfully bid ESR service and spare employees, requiring familiarization will be paid as if it was a working tour of duty.

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9.2. The number of spares to be familiarized will provide sufficient coverage for ESR service out of each ESR terminal.

9.3. It is expected that employees familiarizing in ESR service will require up to three (3) round trips to become familiarized. Should an employee require further familiarization, they may request an additional trip which will be accommodated.

9.4. Initial familiarization rates will apply to any new employee added to the ESR pool as ESR trains are added to the operation if not already familiarized.

Ongoing Familiarization

9.5. It is expected that employees who successfully bid the ESR pool will require up to three (3) round trips to become familiarized. This familiarization will be performed as if it was a working tour of duty. Should an employee require further familiarization, the employee may request an additional trip which will be accommodated.

9.6. RTEs who are forced to familiarize in ESR service will be paid the full tour of duty for familiarizing each subdivision with which they are unfamiliar.

9.7. RTEs will be paid a minimum day when they are required to travel to Hamilton or Buffalo, in order to commence a familiarization trip.

9.8. The Company may issue bulletins to spare employees periodically to allow for Spare employees to bid the opportunity to familiarize in ESR service.

9.9. Employees requiring ongoing familiarization after one year of ESR operations being in effect, will be paid a minimum day for familiarizing on each subdivision with which they are unfamiliar.

10. ASSESSING IMPACTS OF CHANGE

10.1. In order to determine what, if any, significant adverse impacts that result solely from the implementation and operation of ESRs are, the Company will apply the following process:

10.2. A snapshot of operations at each terminal will be taken on the effective date of this agreement. A second snapshot at each terminal will be taken 12 weekly crew changes following the date of implementation.

10.3. If it is found that this change has had significant adverse effects on employees, those employees affected may be entitled to the benefits outlined in Appendix A of this agreement should they qualify for such.

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10.4. Appendix A does not apply to any adverse effects caused by other changes. Examples of other changes include, but are not limited to, employees making seniority moves that result in bumping or displacements and changes in traffic volumes. In assessing the size of the impact of this change, the number of miles that have been reduced and any change in the number of miles being carried over are measures that will be used to assist in determining the scope of the impact of this change. Other measures may be taken into consideration in assessing the impact of this change.

10.5. The Company will provide 7-day notice of any such changes to ESR Service (i.e. establishing non-ESR pools/trains and/or re-establishing full ESR Service), unless otherwise mutually agreed upon. Any changes will coincide with the Weekly Placement Process. The outcome of this review may trigger the benefits outlined in Appendix A of this agreement.

11. SUSPENSION OF AGREEMENT

11.1. While it is not anticipated that there will be a need to suspend this agreement, should it become necessary, in full or in part, the General Chairmen will be notified. The following guidelines will apply:

11.2. The process for the temporary suspension of this agreement account planned or unplanned outages will be done in conjunction with the weekly change unless otherwise agreed.

11.3. Planned outages may consist of work blocks or maintenance related activity. In such cases, notice will be provided as far in advance as is practicable.

11.4. Unplanned outages are due to unforeseen circumstances. In such cases, notice will be provided as soon as possible.

11.5. In such cases of temporary suspension, crews in ESR service will be handled in accordance with existing practices.

11.6. In cases of suspensions greater than six (6) months, the re-establishment of ESR service will require crews to be re-familiarized in accordance with Item 9 of this agreement.

11.7. The terms of this operating agreement will not apply during a temporary suspension of ESR service, however, benefits associated with this change will continue uninterrupted through any period of suspension.

11.8. Hamilton may be temporarily reinstated as a home terminal/away-from-home terminal during any period of suspension.

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12. GENERAL ITEMS

- 12.1. Ongoing maintenance meetings and/or conference calls will occur with the original start up committee on a regular basis, as required. It is expected that such discussions will be bundled with other routine business. Company initiated meetings to address major issues related to ESRs will be held at the Company's expense.
- 12.2. Any issues / disputes involving ESR service such as, but not limited to excess held away time, etc., will be reviewed locally. If unable to be resolved at the local level, the matter will be progressed to the respective General Chairperson(s), GM Operations and Director, Labour Relations.
- 12.3. Any dispute respecting the interpretation, application or alleged violation of this agreement may be progressed at Step 3 of the Grievance Procedure.
- 12.4. Either party has the ongoing ability to call a meeting to commence within 30 days to discuss and resolve major issues that arise from this agreement. Such a meeting will be held between the General Chairperson(s), the Director LR and GM Operations. If unresolved, the issue may be expedited to CROA by either party.
- 12.5. This agreement may be cancelled with thirty (30) days' notice by the Vice President Operations only and may not take effect until the General Chairperson(s) and the Vice President Operations meet to discuss the matter.
- 12.6. The benefits contained in Appendix A of the initial September 12, 2013 agreement shall continue to apply to employees affected by the changes of this ESR for a period of five (5) years from the date of this agreement. It is understood that relocation benefits will not be applicable to employees working at Hamilton/Welland as an outpost location. Relocation Benefits would only be applicable to adversely affected employees who were working at Hamilton / Welland on or prior to the original material change.
- 12.7. Appendix A does not apply to any adverse effects caused by other changes. Examples of other changes include, but are not limited to, employees making seniority moves that result in bumping or displacements and changes in traffic volumes. In assessing the size of the impact of this change, the number of miles that have been reduced and any change in the number of miles being carried over are measures that will be used to assist in determining the scope of the impact of this change. Other measures may be taken into consideration in assessing the impact of this change.

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13. MISCELLANEOUS

- 13.1. Investigations will be conducted at the home terminal of the crew. The local Manager and the Local Chairperson will work together to schedule investigations between trips. To the greatest extent possible statements will be handled expeditiously, with the intent to complete the investigation(s) in one day, or can be extended in extreme circumstances.
- 13.2. Each tour of duty in ESR service will count as two (2) tours of duty towards the eligibility for General Holiday payments as per Articles 18.02(3) (LE) and 68.02(3) (CTY). For clarification, a round trip in ESR service consists of four (4) tours of duty in ESR service, for the purpose of this clause.
- 13.3. In consideration of granting bridging into scheduled Annual Vacation and EDOs, ESR employees will be granted reasonable time off to do the same. Trains in ESR service will not be delayed or run by the single subdivision pools or spareboard as a result of such a bridge.
- 13.4. Should an employee be unable to achieve their maximum monthly miles, due exclusively to the impact of US rest regulations, the employee will be compensated accordingly.
- 13.5. The parties remain open to discuss the concepts associated with fatigue management with regard to the operation of ESR's. The parties will meet within 90 days of implementation to discuss Fatigue Management and the operation of this change.

14. EFFECTIVE DATE FOR BENEFITS

- 14.1 For the purposes of Identifying benefit entitlements, any employee holding a permanent position in Hamilton as of the date in which this agreement is implemented, will be captured and utilized for tracking purposes.

15. WITHOUT PRECEDENT OR PREJUDICE

- 15.1 The signatory parties to this agreement understand and mutually agree that this agreement is entered into without precedent or prejudice and, except for grievances specific to this ESR agreement and appendices, will not be used by any party for any reason without the express written consent of the other party.

Appendix A: The rates included in section 1.3.1 of Appendix A are modified to reflect the current rates as provided below:

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Locomotive Engineer	\$1,545.41
Yard Helper	\$1,466.90
Yard Helper	\$1,341.92
Yard Service Helper	\$1,508.65
Yard Service Helper	\$1,385.85

Signed this 6th day of April, 2016

Ben Serena
Ben Serena
General Manager Operations

Brian Scudds
Brian Scudds
Asst. Director Labour Relations

Bruce Hiller 10-04-16
Bruce Hiller
General Chairperson – CTY – East

Benoit Brunet 07-04-16
Benoit Brunet
General Chairperson – LE East

Appendix A

Note: For any of the benefits identified here to have application, the employee in question must have accumulated at least 2 years of CCS in the TCRC bargaining unit.

Note: Benefits may be extended for employees who exercise seniority at either London or Toronto Terminal.

1. MAINTENANCE OF BASIC RATES (MBRs)

1.1. Employees covered by this agreement will be entitled to maintenance of basic rate benefit (MBR) provided that they were regularly home terminated and working in either London / Toronto or Hamilton - including spare boards, on the day of the material change notice of ESR service and, as a consequence of the change, are unable to hold a position in the same classification held prior to the change. Classifications are as follows:

- **London/Toronto:** Road Switcher, Locomotive Engineer (Road), Locomotive Engineer spareboard, Locomotive Engineer Yard, Conductor (Road), Brakeperson (Road), various CTY spareboards, Yard Foreman, Yard Helper, Yard Service Employee and Yard Service Helper.

1.2. Basic rates will be maintained by payment of the difference between actual earnings in a four week period and four times the basic weekly pay defined in Item 1.3. The difference is known as the employee's incumbency. If actual earnings in a four week period exceed four times the basic weekly pay, no incumbency is payable. The four week MBR period is defined as consecutive pay periods.

1.3. For the purpose of this agreement, the term basic weekly pay is defined as:

1.3.1. For an employee assigned to a regular position in yard service on the effective date, at the time of a displacement, as a consequence of implementation, the basic weekly pay will be as follows:

Yard Locomotive Engineer	\$1,419.50
Yard Foreman	\$1,358.08
Yard Helper	\$1,244.48
Yard Service Employee	\$1,383.25
Yard Service Helper	\$1,270.80

(Note: These are based on 2013 rates and include shift differential, preparatory and final time and second unit rate for Locomotive Engineers.)

1.3.2. For an employee in road service on the effective date, including employees on road and common spare boards, one-fifty second (1/52) of the total earnings of such employee during the twenty-six full pay periods preceding his/her displacement as a consequence of implementation.

1.3.3. When computing "basic weekly pay" pursuant to Item 1.3.2 above, any pay period during which an employee is absent for seven (7) consecutive days or more due to;

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- a bona fide injury,
- sickness for which weekly indemnity benefits have been paid,
- authorized leave of absence, or
- when a Union officer is unavailable due to Union business,

will have these earnings if any, together with the earnings of the employee in that pay period, subtracted from the total earnings in the twenty six pay periods when determining the basic weekly pay. In such circumstances, basic weekly pay shall be calculated on a pro-rated basis by dividing the remaining earnings by the remaining number of pay periods.

1.3.4. Basic weekly rates are subject to any general wage adjustments where applicable during the life of this agreement.

1.4. When provided an MBR, an employee must:

1.4.1. Exercise their seniority to the position of highest earnings at their home terminal or outpost terminal in accordance with collective agreement seniority provisions. For the purpose of calculating highest earnings, shift differential will not be considered.

1.4.1.1. Should they fail to do so, they will be considered as occupying such position and their incumbency will be reduced accordingly.

1.4.1.2. Should there be a dispute regarding the position of highest earnings to which the employee must exercise seniority, the Company may designate the position.

1.4.1.3. If the TCRC disputes this decision it may be advanced by the General Chairman as a grievance commencing at Step 3 of the grievance procedure.

1.4.2. Work all vacancies available to them consistent with collective agreement seniority provisions.

1.4.3. Be available for service for the entire four week period. If not available, the incumbency for that period will be reduced by an amount equal to the earnings that would have been made on the day(s) unavailable.

1.4.3.1. Except as provided for in Item 1.4.4, booking personal rest in excess of ten (10) hours at the home terminal in unassigned service that results in a loss of work opportunity is considered as being unavailable for service. Rest mandated by legislation at the home terminal is encompassed by the term "personal rest". Mandated and personal rest must not exceed ten (10) hours.

1.4.3.2. In assigned service, including yard service, being unavailable on an assigned working day is considered as being unavailable for service.

1.4.4. Unassigned freight pool employees will be able to book maximum rest according to the provisions of the Collective Agreement without affecting their MBR entitlement provided that they earn their maximum monthly mileage during their mileage period and have the ability to do so.

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- 1.5. In order to allow for proper administration of 1.4.4 of this agreement, it is agreed that an employee's MBR period will be matched, as closely as possible, to their mileage period. MBR periods may be pro-rated in order to make this adjustment. Any formula to pro-rate the MBR period must be jointly agreed upon by the parties to this agreement.
- 1.6. If an employee fails to make their maximum monthly mileage, and has missed a trip as a result of booking more than ten (10) hours rest during the MBR entitlement period, their incumbency will be reduced by the earnings associated with the trips missed to a maximum of the number of trips up to the maximum monthly mileage. Note: A maximum of one trip can be deducted in any one twenty four (24) hour period as a result of booking more than ten (10) hours rest.
- 1.7. All compensation paid to an employee by the Company in each four week period, shall be taken into account when computing the employee's incumbency. Shifts or tours of duty commencing between 0001 on the first day of the four week period, will be included in computing compensation paid. Employees in assigned service (yard or road switcher), who work other than their regularly scheduled tours of duty will not have the additional earnings included in the calculation of their MBR incumbency.
- 1.8. Employees shall be entitled to maintenance of basic rate benefits pursuant to this agreement for a period of five (5) years from the effective date of benefit entitlement.

2. LAYOFF PROTECTION

- 2.1. Employees covered by this agreement at its signing, who cannot hold work at the home terminals or outpost thereto, will be entitled to a lay-off benefit credit of five (5) weeks for each year of cumulated compensated service or major portion thereof. This includes those displaced to lay-off by those exercising seniority from Hamilton into either London or Toronto.
- 2.2. This protection is not intended to apply to layoffs that result from a downturn in business or to apply to layoffs that result from seniority moves resulting in bumping and displacements which are not directly related to this material change.
- 2.3. Upon implementation of the change, the junior employee(s) working at the time will be designated as being entitled to layoff benefits provided that they:
- are represented by the TCRC Divisions 295, 528, and 529 (Toronto/London and Hamilton),
 - are directly and adversely affected by this change,
 - are regularly assigned to a position in either the London, Toronto or Hamilton terminal under the terms of the current collective agreements on the effective date, and
 - have at least two years cumulative compensated service (CCS) on the effective date.
- 2.4. A layoff benefit will be eliminated for each attrition within the London/Toronto/Hamilton terminals, or outpost thereto, whether it be as a result of a retirement, death, resignation, permanent relocation or early retirement. A reduction in lay off benefits under this clause is understood to mean the removal of the senior employee with such entitlement.

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2.5. Weekly layoff benefits will be made available to eligible employees covered by this agreement for each full week of seven (7) consecutive calendar days of lay off (herein called a "claim week") provided all the following conditions are met:

2.5.1. The employee must be laid off. An employee will not be regarded as laid off:

2.5.1.1. During any day or period in which employment is interrupted;

- By approved leave of absence for any reason
- Sickness
- Disciplinary action (including time held out of service pending investigation)
- Failure to exercise seniority on the District except in cases in which the displacing employee would cause a lay-off at the new terminal
- Retirement
- Act of God, including but not limited to fire, flood, tempest or earthquake
- A reduction or cessation of work due to Strikes by employees of the Railway

2.5.1.2. During any interval between the time that the employee is recalled to service after a period of lay off and the actual time the employee resumes work; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provisions of the Agreement, on the same basis as if they had returned to work on the date such work became available.

2.5.1.3. If the employee declines for any reason, other than as expressly provided for in 2.6.1.2, recall to work at their home location.

2.5.1.4. In respect of any period in which the employee is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided for in this agreement, or

2.5.1.5. After dismissal or resignation from the Company.

2.5.2. Following an application being made by the employee to the designated Company officer

2.5.3. Following a seven (7) calendar day waiting period following lay off. Each time an employee is laid off they will have a seven (7) calendar day waiting period. The exception to this rule is that once an employee has been on lay off for more than seven (7) calendar days, and they are recalled to work, for a period of less than ninety (90) calendar days, they will be immediately eligible for weekly lay off benefits upon lay off within such ninety (90) calendar days.

2.5.4. The employee has exercised full seniority rights at their home terminal.

2.6. Weekly lay off benefits will consist of the following:

2.6.1. For each complete week of seven (7) calendar days laid off following the seven-day waiting period, an amount that, when added to Employment Insurance (EI) benefits and/or outside earnings in excess of those allowable under EI for such week, will result in the employee receiving eighty percent (80%) of their basic weekly pay at the time of the layoff.

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2.6.2. If the employee is not eligible for EI benefits because such benefits have been exhausted or because the employee is not insured for EI benefits or because of an EI waiting period in excess of seven (7) days, then the employee may claim a weekly lay off benefit for each complete week of seven (7) calendar days laid off of the maximum EI weekly benefits currently in force or such lesser amount that when added to the employee's outside earnings for such week will result in the employee receiving eighty percent (80%) of their basic weekly pay at the time of the layoff.

2.6.3. Weekly lay off benefits are only payable for a duration of three (3) years from the effective date of this agreement.

2.6.4. In each week that a weekly lay off benefit is claimed, the employee must report to the Company any amounts received from EI for that week. They must also report any wages earned during that week from sources outside the Company. If no such report is submitted, the Company will assume that the outside earnings reported for the previous week are the same as for the current week.

3. PERMANENT RELOCATION OR COMMUTING ALLOWANCE

3.1. An affected employee may make a one-time election to exercise his seniority to another terminal in accordance with the collective agreement.

3.1.1. In such a case, the employee may elect to take advantage of a commuting allowance for one year, based on automobile mileage rates in the collective agreement. This benefit would be taken in lieu of lay off benefits.

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- 3.1.2. Alternatively, the employee may elect to apply for Permanent relocation benefits, as described in Article 72.15 (CTY) and 34.11 (LE) of the Collective Agreement.
- 3.1.4. Employees are not eligible to take a permanent relocation and a commuting allowance benefit, in accordance with the language in the collective agreement.
- 3.1.5. No further benefits will be triggered as a result of an employee who chooses to relocate.

4. EARLY SEPARATION ALLOWANCES

Note: Benefits identified under items 4 and 5 will be available to directly impacted by this Material Change (employed at Hamilton at the time of the notice), in preference to those who may be entitled at London or Toronto.

- 4.1 The early separation plan as outlined herein will be made available to employees who have more than 2 years CCS at the time of implementation and have worked continuously at the affected terminal for at least one year as a TCRC represented employee immediately prior to the date of acceptance for early separation. This one year requirement may be waived by the General Chairs.
- 4.2 Up to 15 attrition opportunities will be made available, provided there is a surplus of employees at Toronto, London or outpost thereto. The number of opportunities made available will not exceed the number of surplus employees associated with this material change. They will consist of early separation allowances and severances.
- 4.3 The opportunities that become available in clause 4.2 above will be bulletined not later than January 31 of the year following implementation at the respective home terminal, provided there is a surplus of employees at Toronto or London, as a direct result of this material change. Should these opportunities not be taken in a given year, they will be banked and bulletined each year for eligible employees, for a maximum of three (3) years

Note: For the purposes of this agreement, a surplus employee is defined as an employee with service prior to implementation who has been laid off for 9 months or more in a 12 month period.

- 4.4 It is also understood that each separation opportunity taken under this agreement by an affected employee at London or Toronto will eliminate or reduce the number of MBR, relocation, layoff and severance benefits that might otherwise be triggered.

Note: Each separation opportunity taken under this agreement will eliminate a guaranteed attrition opportunity as mentioned in clause 4.3 above in addition to the number of MBR, layoff and relocation benefits that might otherwise be triggered.

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4.5 To facilitate the awarding of these early separation opportunities, the bulletin in clause 4.3 above will be issued for 60 days by the Company requesting applications from eligible employees for these separation opportunities. These opportunities will be awarded, as available, on the basis of seniority and the specifications of clause 4, provided, of course, that the eligibility requirements are met.

4.6 An employee working in a position covered by this agreement who is a successful applicant and who is eligible for Early Retirement under the Company's Pension Plan, will be entitled to receive a monthly separation allowance until age sixty-five (65) which, when added to his Company pension, will give him an amount equal to a percentage of his average annual earnings over his best five year period, as defined under the pension rules, in accordance with the following formula:

Years of CCS at Early Retirement	Percentage Amount as Defined Above
35 and over	80%
34	78%
33	76%
32	74%
31	72%
30	70%
29	68%
28	66%
27	64%
26	62%
25	60% or less

4.7 An eligible employee, entitled to the separation allowance specified in clause 4.6 may elect to receive in its stead a lump sum payment equal to the present value of his monthly separation payments calculated on the basis of a discount rate of 10% per annum.

4.8 An employee whose application is accepted will be advised of his benefit entitlement within 30 days of the closure of the bulletin, and upon notification, must make a decision to accept or reject the separation opportunity within 48 hours of notification. Such decision will be considered irrevocable upon acceptance. The employee must comply with the conditions attached thereto at the earliest opportunity following acceptance. Employees who may not be in a position to see the bulletin when issued due to authorized leave of absence, bona fide sickness or annual vacation will be advised of the contents of the bulletin via double registered mail. It will then be their responsibility to apply within the time limits.

4.9 Eligible employees, as defined herein, who elect payment as provided in clause 4.7 above shall be:

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(i) Entitled to have their group life insurance coverage continued until age 65 and paid for by the Company; and

(ii) Entitled at age 65 to a life insurance policy, fully paid by the Company, in an amount equal to that in effect in the applicable existing collective agreement; and

(iii) Entitled to have his Extended Health and Vision Care benefits continued fully paid by, the Company, until age of normal retirement.

4.10 Applications from eligible employees will be processed on the basis of their earliest seniority date under the respective collective agreements.

4.11 The separation allowance shall cease upon the death of the employee who dies before reaching the age of sixty-five (65).

4.12 An employee who elects benefits under this Clause will not be entitled to any other benefits provided elsewhere in this Agreement.

5. SEVERANCE PAYMENT

5.1 In cases where attrition opportunities, as defined in clause 4.1, remain after the early separation opportunities have been advertised, a bulletin will be issued each year for a maximum availability period of three years. The bulletin will be issued for 60 days by the Company requesting applications from eligible employees for these severance opportunities. These opportunities will be awarded, as available, on the basis of seniority and the specifications of clause 5, provided, of course, that the eligibility requirements are met.

5.2 An employee who is offered an optional lump sum severance payment, may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth below:

20 years or more cumulative compensated service: \$60,000;

12 to 19 years, inclusive, cumulative compensated service: \$55,000;

8 to 11 years, inclusive, cumulative compensated service: \$50,000.

5.3 An additional lump sum severance payment of \$15,000 will be made to employees who voluntarily elect to terminate their employment within 90 days of the closure of the bulletin.

5.4 Employees with 20 years or more cumulative compensated service who are within 5 years of eligibility for early retirement at the time they accept this severance, will have their life insurance and extended health care benefits continued until they reach age 65.

5.5 Employees with 8 years to 19 years, inclusive, cumulative compensated service will have their life insurance and extended health care benefits continued for a period of six months from the date of their severance.

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5.6 Applications from eligible employees will be processed on the basis of their earliest seniority date under the respective collective agreements.

5.7 Employees may elect, at their option, to receive the severance payment in two installments over a 13 month period.

5.8 Severance payments, as outlined above, will be made available to employees who have worked continuously at the affected terminal, for at least one year as a TCRC represented employee immediately prior to the date of implementation.

5.9 Requests for early separations pursuant to this agreement shall have precedence over requests for severance opportunities.

5.10 It is also understood that each severance opportunity taken under this agreement by an affected employee will eliminate or reduce the number of MBR, layoff, early separation and relocation benefits that might otherwise be triggered.

Note: Each severance opportunity taken under this agreement will eliminate an attrition opportunity, in addition to the number of MBR, lay off and relocation benefits that might otherwise be triggered.

5.11 An employee who takes advantage of a severance opportunity provided herein shall not be entitled to any other benefits pursuant to this agreement.

5.12 In no case will the number of combined early separation and severance opportunities exceed the maximum number of attrition opportunities, as defined in clause 4. Any attrition opportunity will be made available for a period of three years, provided they have resulted from a surplus condition as described in clause 4.

5.13 Notwithstanding anything in this clause 5 to the contrary, no payment pursuant to this clause 5 will be made that is greater than the amount that the individual would have earned had he remained in service until attaining the age of normal retirement under the Canadian Pacific Pension Plan

36 07-04-1
16H 10-04-18

Toronto ESR Calling Procedures

Scope: ESR Trains Running between Lambton and Buffalo Terminal.

Trains running between Lambton and Buffalo will be covered by Toronto ESR Pool calling procedures below.

*ESRQ = Hamilton ESR Qualified.

TORONTO ESR POOL:

When crewing south bound ESR trains at Lambton or re-crewing south bound ESR trains.

ENGINEER ** All MUST be ESRQ

1. 1st Available Engr in ESR Pool Home Terminal
2. Available Engr Spareboard
3. Available Engr in ESR Pool – Close Pool
4. Off for Miles – Spare Engr, ESR Pool Engr, Other Pool Engr,
5. Engr requesting Extra Work
6. Other Pools
7. Review rejected employees not previously called
8. ESB available

CONDUCTORS ** All MUST be ESRQ

1. 1st Available Cndr in ESR Pool
2. Rested Cndr C3
3. Senior Trainman in terminal
4. Senior Rested from Foreperson's or Helper's Spareboard
5. First Rested Conductor from ESR Pool (Roll Pool).
6. First rested Cndr North Pool
7. First rested Cndr Run Thru Pool

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When re-crewing north bound trains between CP7 and Signal 602-3.

ENGINEERS

1. First out rested ESR pool Engr. at AFHT.
2. Available Engr Spareboard. Paid fixed rate for ESR.
3. First out rested ESR pool Engr from HT. Paid fixed rate for ESR
4. Off for Miles , Spare Engr, Other Pool Engr Paid fixed rate for ESR
5. Engr requesting Extra Work. Paid fixed rate for ESR
6. Other Pools. Paid fixed rate for ESR.
7. Review rejected employees not previously called. Paid fixed rate for ESR
8. ESB available. Paid fixed rate for ESR

CONDUCTORS

1. First out rested ESR pool Cndr. at AFHT.
2. Rested Cndr C3. Paid fixed rate for ESR
3. Senior Trainman in terminal. Paid fixed rate for ESR
4. Senior rested from Foreperson's or Helper's Spareboard. Paid fixed rate for ESR
5. First out rested Cndr. from HT. Paid fixed rate for ESR.
6. First rested Cndr North Pool Paid fixed rate for ESR
7. First rested Cndr Run Through Pool. Paid fixed rate for ESR

**When crewing or re-crewing North bound Lambton trains South of OMTS (CP7) at Buffalo Terminal.
(London crews will not be used to crew Lambton bound ESR trains at Buffalo).**

ENGINEERS

1. 1st available ESRQ Engr in the Toronto ESR Pool in Buffalo
2. If no Toronto ESRQ Engr are available in Buffalo – DeadHead ESRQ Engr from Toronto

CONDUCTORS

1. 1st available ESRQ Cndr in the Toronto South Pool in Buffalo
2. If no Toronto ESRQ Cndr are available in Buffalo – DeadHead ESRQ Cndr from Toronto

**When crewing or re-crewing North bound Lambton trains North Signal 602-3.
(London crews will not be used to crew Lambton bound ESR trains at Buffalo).**

ENGINEER

1. Available Engr Spareboard
2. Off for Miles – Spare Engr, ESR Pool Engr, Other Pool Engr,
3. Engr requesting Extra Work
4. Review rejected employees not previously called
5. Available Engr in ESR Pool – Close Pool
6. Other Pools
7. ESB available

CONDUCTORS

1. Rested Cndr C3
2. Senior Trainman in terminal
3. Senior Rested from Foreperson's or Helper's Spareboard

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4. First Rested Conductor from ESR Pool (Roll Pool).
5. First rested Cndr North Pool
6. First rested Cndr Run Thru Pool

SB 17-04-11
10-04-10

London ESR Calling Procedures

Scope: ESR Trains Running between London and Buffalo Terminal.

LONDON SOUTH POOL:

Crewing / ReCrewing South Bound Trains Between London and Buffalo

Engineers

1st available South Pool Engineer at home terminal
1st available London Engineer Spareboard
Available ESR qualified awaiting turn in London
E1 Board in London ESR qualified
1st available Engineer at the away from home terminal
Available ESB London ESR qualified

Conductors

1st available South Pool Conductor at home terminal
1st available B1 Spareboard ESR qualified
Available ESR qualified awaiting turn in London
Available board in London ESR qualified
Days Off / Off for miles ESR qualified
1st available Conductor at the away from home terminal

Crewing / ReCrewing North Bound Trains Between Buffalo and 6023 Desjardins

Engineer ** ALL MUST BE ESR QUALIFIED

1st available Engineer at the away from home terminal (Buffalo)
1st available South Pool Engineer at London
1st available Engineer London Spareboard
Available ESR qualified awaiting turn in London
E1 Board
Days Off / Off For Miles
Available ESB

CONDUCTORS ** ALL MUST BE ESR QUALIFIED

1st available Conductor at the away from home terminal (Buffalo)
1st available South Pool Conductor at London
1st available B1 Spare Board
Available ESR Qualified awaiting turn in London
Available Board in London ESR Qualified
Days Off / Off for miles

ReCrewing North Bound Trains Between 602-3 Desjardins and Guelph Jct

Engineer

1st available Engineer at away from home terminal (Buffalo)
1st available Engineer London Spareboard
1st available Engineer ESR Pool at home terminal
Available qualified awaiting turn in London
E1 Board
Days Off / Off for miles
Available ESB London

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Conductors

1st available Conductor at away from home terminal (Buffalo)
1st available B1 Spareboard
1st available Conductor at home terminal
1st available qualified awaiting turn in London
Available board in London
Days Off / Off for miles

ReCrewing ESR North Bound Trains on the Galt Sub., Between Guelph Jct., and London

Note: Recrews will be posted on the required line up 6 hours in advance of order time.

Engineers

1st available Engineer at the away from home terminal (Buffalo) [if not required to protect a train]
1st available East Pool Engineer at Toronto Hotel [if not required to protect a train]
1st available London Engineer Spareboard
1st available East Pool Engineer at home terminal
Available awaiting turn in London
E1 Board
Days Off / Off for miles
1st available South Pool Engineer at London
Available ESB London

Conductors

1st available London Conductor at the away from home terminal (Buffalo) [if not required to protect a train]
1st available East Pool London Conductor at Toronto Hotel [if not required to protect a train]
1st available B1 Spareboard
1st available East Pool Conductor at home terminal
Available awaiting turn in London
Available Board London
Days Off / Off for miles
1st available South Pool Conductor at London

Hamilton / Welland Ad Hoc work, Yard or Local

****ALL TO BE CALLED ONE DAY ONLY**

Engineer

Setup Locomotive Engineer working at Hamilton / Welland
London Locomotive Engineer Calling Procedures for Setup Locomotive Engineers
Hamilton / Welland ESB in seniority order. (Senior may / Junior must)
Resume London Locomotive Engineer calling procedures

Conductors

1st out on Hamilton / Welland Spareboard
Senior available Conductor Hamilton / Welland
See London Calling Procedures

Hamilton will maintain a crew base in order to staff yard assignments and/or road switches and provide relief, as required .

04-11-16
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Conductors

1st available Conductor at away from home terminal (Buffalo)

1st available B1 Spareboard

1st available Conductor at home terminal

1st available qualified awaiting turn in London

Available board in London

Days Off / Off for miles

ReCrewing ESR North Bound Trains on the Galt Sub., Between Guelph Jct., and London

Note: Recrews will be posted on the required lineup 6 hours in advance of work time.

Engineers

1st available Engineer at the away from home terminal (Buffalo) [if not required to protect a train]

1st available East Pool Engineer at Toronto Hotel [if not required to protect a train]

1st available London Engineer Spareboard

1st available East Pool Engineer at home terminal

Available awaiting turn in London

E1 Board

Days Off / Off for miles

1st available South Pool Engineer at London

Available ESB London

Conductors

1st available London Conductor at the away from home terminal (Buffalo) [if not required to protect a train]

1st available East Pool London Conductor at Toronto Hotel [if not required to protect a train]

1st available B1 Spareboard

1st available East Pool Conductor at home terminal

Available awaiting turn in London

Available Board London

Days Off / Off for miles

1st available South Pool Conductor at London

Hamilton / Welland Ad Hoc work, Yard or Local

****ALL TO BE CALLED ONE DAY ONLY**

Engineer

Setup Locomotive Engineer working at Hamilton / Welland

London Locomotive Engineer Calling Procedures for Setup Locomotive Engineers

Hamilton / Welland ESB in seniority order. (Senior may / Junior must)

Resume London Locomotive Engineer calling procedures

Conductors

1st out on Hamilton / Welland Spareboard

Senior available Conductor Hamilton / Welland

See London Calling Procedures

Hamilton will maintain a crew base in order to staff yard assignments and/or road switches and provide relief, as required .

3B 27-04-16
10H 10-04-16

Question and Answer Hamilton Sub ESR:

Question 1 – Crew is cancelled in Buffalo Terminal after taking possession of train. Can crew book rest?

Answer 1 – Crew is to be offered the option of taking 6 hours rest with a two hour call to ensure they will be rested for a 12 hour tour of duty.

Question 2 – Northbound train is between CP7 (Buffalo OMTS) and Sig 602-3 Desjardins and requires a crew. If no crew available in AFHT Buffalo, how is Pool / Spare crew ordered?

Answer 2 – Crew is ordered from respective terminal in Turnaround Service on a 200 mile MOP. (Item 8.3 ESR agreement)

Question 3 – Northbound London bound train is located between Sig 602-3 Desjardins and south of Guelph Jct, which crew protects re-crew?

Answer 3 As per London calling protocols.

Question 4 – Northbound Toronto bound train is located between Sig 602-3 Desjardins and Lambton, which crew protects re-crew?

Answer 4 As per Toronto calling protocols.

Question 5 – London Westbound entire train is on Galt sub, which crew protects re-crew?

Answer 5 – First, Buffalo hotel available and not protecting a London train (Straightaway 200 miles MOP), second London East Pool at Toronto Hotel available and not protecting a train (Straightaway, basic day), third is spare boards in Turnaround service, fourth is East pool in London (Turnaround service). As per London calling protocols.

* For Toronto Hotel re-crew – train needs to be on East Pool lineup as a re-crew for 6 hours

Question 6 – Re-crewing southbound trains destined south of signal 602-3, is it always pool work?

Answer 6 – It is always ESR pool work and to be ordered Straightaway to Buffalo from the pool of origin. Toronto crews re-crew trains x Lambton and London crews re-crew trains x London.

Question 7 – Ad hoc vacancies for Hamilton sub assignments, who protects?

Answer 7 – Locomotive Engineer - first Hamilton/Welland Engr on rest day from assignment for one day, second London calling procedures

Conductor / Trainman – first Hamilton Conductor Spare board for Hamilton job for one day, Hamilton Spare board Conductor for Welland job can be called until cancelled. Second Hamilton/Welland Conductor on rest day from assignment for one day, Third London Conductor from Spare board for one day.

SB 07-04-16
10-04-12

Question 8 – When using a planned re-crew from Toronto Hotel how do we transport the crew to the train?

Answer 8 – Barring exceptional weather conditions or unforeseen issues, the crew is to be transported by taxi from Toronto hotel to train location.

JB 07-04-16
BH 10-04-16