

Attention Running Trade Employees:

A recent audit has of HO claims has identified numerous discrepancies on what constitutes a "HO" claims under the Spence agreement. As a result the Company and the TCRC have signed a letter of Understanding on September 12, 2007.

To further assist running trades employees in determining what and was does not constitute a valid "HO" a list of examples has been agreed upon and are appended for your reference. Should a situation come up that is not covered by the list of examples appended the crew must submit a "IP" claim subject to approval by the Auditing department.

Furthermore, it was also agreed that all individual claim submissions were open to audit and claw back if found to be ineligible.

When submitting and "HO" claim, clear explanations must be given stating date, time, reason for submission and car number(s).

NOTE: HO Claims not covered by this Letter of Understanding must be submitted under an "IP" claim code with specific details to support the claim.

Example 1:

You are working a Honda assignment, spotting the Honda facility and come across a loaded car of finished autos from a different manufacturer. The tag on the car indicates that the railcar is shown for Alliston. Are you entitled to the "HO" claim?

Answer: Yes, in this case you must advise the on duty supervisor prior to booking off that your crew found the car. This information must be placed in your explanation upon submission of the claim.

i.e. – Claiming 100 miles as per Memorandum of Settlement dated April 27th 2001, Item 3, Assignment #XX in track ## handled car XXXXX

Example 2:

You are working a Honda assignment, moving equipment within the Spence facility your crew handles empty equipment originally tagged for Toyota, which was changed to Alliston. Are you entitled to the "HO" claim?

Answer: No, in this case an "HO" claim is not applicable. In addition to this if a car of any other configuration such as a tank car, hopper... the claim will apply.

Example 3:

You are working a Honda assignment, and are requested to lift Honda empties that are located at Palgrave/Ypres that were left on account of congestion at Spence. Are you entitled to the "HO" claim?

Answer: No.

Example 4:

You are working a Honda assignment, moving equipment within the Spence/Lambton/Toronto yard facilities and your crew uncouples Honda equipment which is attached to other equipment however the non Honda equipment is not moved. Are you entitled to the "HO" claim?

Answer: No, in this case an "HO" claim is not applicable due to the fact that you are not actually handling the other equipment.

Example 5:

You are working a Honda Assignment and are advised to make a joint on a track in Spence/Lambton or Toronto Yard which also contains non Honda traffic. Further, the crew chooses for operational ease to pull the entire track up to make the cut and secure. Are you entitled to the "HO" claim?

Answer: No, making a joint on Honda traffic combined with non-Honda traffic does not trigger a HO claim under the agreement. A "HO" claim for handling non Honda equipment will only be paid when the crew is instructed by a Manager to move the Non - Honda equipment.

Example 6:

You are working a Honda assignment, and are required to relieve the Spence Turn at Bolton account the train had a knuckle and could not make it back to Spence. You are transported to Bolton and bring the train back to Spence Yard. Are you entitled to the "HO" claim?

Answer: No, in this case the equipment had an equipment failure enroute and in order to meet the service requirements of Honda another assignment can be utilized.

Example 7:

You are working a Honda Assignment and are in the process of yarding your train. The Train Yard Coordinator advises you to yard in L2 and your entire train fits in this track, however the TYC asks you to double 15 cars into L5. Are you entitled to the “HO” claim?

Answer: Yes, provisions stipulate that if your train fits in the yarding track you are considered yarded and any additional doubles of your train entitles your crew to the “HO” claim.

Example 8:

You are working a Honda Assignment and are in the process of yarding your train. The Train Yard Coordinator advises you to yard in L5 and your entire train does not fit in this track by 5 cars. The TYC asks you to double 15 cars into L3. Are you entitled to the “HO” claim?

Answer: No, provisions stipulate that if your train does not fit in the yarding track you can move more equipment than what is required to facilitate switching in this situation.

Example 9:

In the same situation as above can the TYC requests you to double 15 cars into track L3 and 7 more cars into L2 if the entire cut would have fit into track L3?

Answer: Yes, the TYC can request you to do this and in turn you will be entitled to an “HO” claim.

i.e. – Claiming 100 miles as per the Spence Agreement date December 22nd 1999, as Assignment #XX during yarding was advised to yard ## cars in track ##, ## cars in track ## and ## cars into track ##.

Example 10:

You are working a Honda Assignment and have completed yarding your train. The TYC asked you to lift 2 locomotives out of LW17 for Spence. Are you entitled to the “HO” claim?

Answer: No, a locomotive for utilization at Spence Yard does not constitute handling other than Honda traffic.

Example 11:

You are working a Honda Assignment and are asked to travel West of Lambton to pick-up Honda equipment to travel to Spence Yard. Are you entitled to the “HO” claim?

Answer: No, the east end car of your lift must be west of Mile 10 Galt Subdivision to trigger a “HO” claim.

Example 12:

You are working a Honda Assignment and are asked to pick your equipment for Spence at mile 9 Galt Sub, however your SBU must be placed on the tail end of your train at mile 11. Are you entitled to the “HO” claim?

Answer: No

Example 13:

You are working a Honda Assignment and are advised to travel to Toronto Yard for your train in B6. On departure you have to setoff a car with a defective brake. Are you entitled to the “HO” claim?

Answer: No.

Example 14:

You are working a Honda Assignment and are in the process of yarding your train. The Train Yard Coordinator advises you to yard in L2 and your entire train does not fit in this track, however the TYC asks you to double 15 cars into L5 and tie onto the stationary equipment in L5. Are you entitled to the “HO” claim?

Answer: **Yes with Explanation.** The provisions of the Spence agreement state that if you tie onto stationary cars then payment applies unless required by CROR. If a crew is required to tie onto stationary cars as instructed by a manager for other than for CROR rules then the crew is entitled to a “HO” claim

Explanation: “HO” payment does not apply if a crew ties onto stationary equipment and shoves back to ensure the track is placed in the clear.(CROR) “HO” payment does apply if a “Joint” is made when the cars will fit into the track and be “CLEAR” without the joint being made.

Example 15:

You are working a Honda Assignment and are advised to make a joint on traffic previously set at Lambton and shove the track back. Are you entitled to the "HO" claim?

Answer 1: "HO" payment **does not** apply if the crew ties onto stationary equipment and shoves back to place equipment in to the clear(CROR).

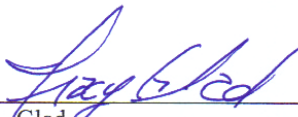
Answer 2: "HO" payment **does** apply if a joint is made on Non Honda traffic when the cars will fit into the track and clear without a joint being made.

Answer 3: "HO" payment **does not** apply if a joint is made on Honda traffic when the cars will fit into the track and clear without a joint being made.

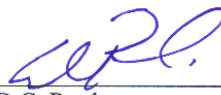
Of course, this understanding is reached on a without precedent or prejudice basis.

Signed on this date September 12, 2007 at Toronto.

FOR THE COMPANY:

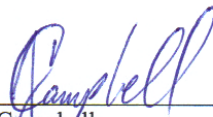


T.L. Glad
Manager Road Operations
Toronto North




D.C. Purdon
Road Manager
Mactier Subdivision

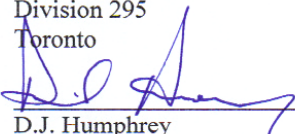
FOR THE UNION:



J.D. Campbell
TCRC Locomotive Engineers
Division 295
Toronto



D.B. Hiller
TCRC Conductor/Trainmen
Division 295
Toronto



D.J. Humphrey
TCRC Conductor/Trainmen
Division 295
Toronto