

March 21, 2003

Mr. L.O. Schillaci  
General Chairperson  
Canadian Council of Railway  
Operating Unions (UTU)  
Suite 306 – 8989 Macleod Tr. S  
Calgary AB T2H0M2

Mr. D.C. Curtis  
General Chairman  
Canadian Council of Railway  
Operating Unions (BLE)  
Suite 309 – 8989 Macleod Tr. S  
Calgary AB T2H0M2

Mr. D.A. Warren  
General Chairperson  
Canadian Council of Railway  
Operating Unions (UTU)  
Suite 32 – 695 Markham Rd.  
Scarborough ON M1H2A5

Mr. R.S. McKenna  
General Chairman  
Canadian Council of Railway  
Operating Unions (BLE)  
Suite 309 – 8989 Macleod Tr. S  
Calgary AB T2H0M2

RE: Initial time when transported to Away-from-home-terminal (AFHT)

Dear Sirs,

This has reference to our recent discussions concerning payment for initial time for employees who have performed switching at their initial terminal, and who are subsequently transported to the objective terminal without having passed the outer main track switch at said initial terminal.

It was agreed that in such circumstances, employees would be paid initial time and premium payments for Conductor-only initial terminal switching (CT claim) where applicable. Initial time shall be calculated from the time the employees were required to report for duty until the crew is relieved of responsibility for their train.

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

Sincerely,



C.D. Carroll  
Director, Labour Relations

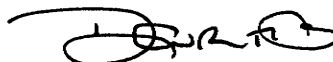


M. Franczak  
General Manager, Field Operations

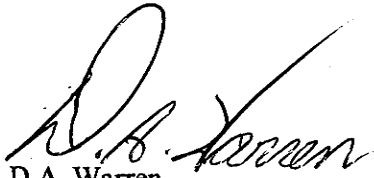
I CONCUR:



L.O. Schillaci  
General Chairperson (UTU-West)



D. C. Curtis  
General Chairman (BLE-West)



D.A. Warren  
General Chairperson (UTU-East)



R.S. McKenna  
General Chairman (BLE-East)

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General Chairman  
Canadian Council of Railway  
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Calgary AB T2H0M2

RE: Off - Mainline / Conductor Only premium payment Enroute (EC)

Dear Sirs:

This is in regards to our conversations in Calgary pertaining to the eligibility of freight service Conductor-only crews to be able to collect payments for running off the mainline and for switching at an enroute location.

At issue was whether or not the collective agreement contemplated duplicate payment in circumstances where a Conductor-only crew performed switching enroute at a location more than one mile off the main track.

Based on discussions, it was resolved that in such circumstances, crews are entitled to claim both payments: an OM claim for running off main line and an EC claim for enroute Conductor-only switching. It was affirmed, however, that where the OM claim can be made for all time or miles off the mainline, the EC claim can only be made for time actually switching with a minimum payment of one hour.

RE: Off - Mainline / Conductor Only premium payment Enroute (EC)

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

Sincerely,



C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

I CONCUR:



L.O. Schillaci  
General Chairperson (UTU-West)



D. C. Curtis  
General Chairman (BLE-West)



D.A. Warren  
General Chairperson (UTU-East)



R.S. McKenna  
General Chairman (BLE-East)

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Canadian Council of Railway  
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Suite 309 – 8989 Macleod Tr. S  
Calgary AB T2H0M2

RE: Run-around at Away-from-home-terminal (AFHT)

Dear Sirs,

This refers to our discussions this week on the issue of runaround claims at the away from home terminal (AFHT).

Specifically, we addressed the matter of an employee having worked to the AFHT in straightaway service, now in the bunkhouse and off rest, but not yet available for duty. Meanwhile, another employee in straightaway service takes an "off and on" during this interim period.

As an example, the employee in the bunkhouse has come off rest at 0400, having been called for 0530. The inbound employee arrives at the AFHT at 0500 and doubles back out at 0515.

Given that technically, the inbound employee should be subject to a standard call at the AFHT, the parties agree that, in the above-described circumstances, the employees in the bunkhouse was entitled to the call and therefore is entitled to payment for runaround.

RE: Run-around at Away-from-home-terminal (AFHT)

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

Sincerely,



C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

I CONCUR:



L.O. Schillaci  
General Chairperson (UTU-West)



D. C. Curtis  
General Chairman (BLE-West)



D.A. Warren  
General Chairperson (UTU-East)



R.S. McKenna  
General Chairman (BLE-East)

RE: Run-around at Away-from-home-terminal (AFHT)

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General Chairperson  
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Suite 32 – 695 Markham Road  
Scarborough ON M1H2A5

RE: Calling Spareboard employees after 8 hours rest

Dear Sirs:

This letter pertains to our recent discussions and understanding regarding the application of Articles 73.04(3) (West) and 38(c)3(b)i (East) in the CPR-CCROU(UTU) collective agreement pertaining to the calling of spareboard employees after 8 hours on rest in circumstances where the Company is short of crews.

It was agreed that under this article, the Company can call spareboard employees on rest after 8 hours of rest to determine if the employees would be willing to break their rest. The Company acknowledged, however, that such employees are not required to break their rest.

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

Sincerely,

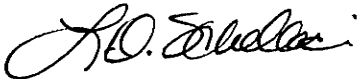


C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

I CONCUR:



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General Chairperson (UTU-West)



D.A. Warren  
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Scarborough ON M1H2A5

RE: Called & Cancelled / Conductor Only premium payment (CT) – Initial Terminal

Dear Sirs:

This is in regards to our conversations in Calgary pertaining to the eligibility of Conductors to a Conductor-only premium payment at the initial terminal when cancelled after having performed switching.

It was resolved that in circumstances where a Conductor-only crew performs switching at the initial terminal to which they are entitled payment under the Conductor-only agreement (CT claim) and are cancelled prior to departure, the Conductor would be entitled to 100 miles for the called and cancelled as per article 28 (West) and 25 (East) of the CPR-CCROU (UTU) collective agreement as well as the CT claim. No payment, however, would be provided for initial time.

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

Sincerely,



C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

I CONCUR:



L.O. Schillaci  
General Chairperson (UTU-West)



D.A. Warren  
General Chairperson (UTU-East)



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General Chairman  
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RE: Other than RQ Training / 4 hour Safety meetings

Dear Sirs,

This refers to those instances when employees are required to attend safety meetings, normally four hours or less in duration, that are independent of and not combined with a routine tour of duty.

In the aforementioned circumstance, it is agreed that "Other than RQ Training" rates will apply. However, the Company does reserve the right to hold pre and mid shift safety meetings in which case the established rate of pay for the tour of duty will apply.

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

Sincerely,



C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

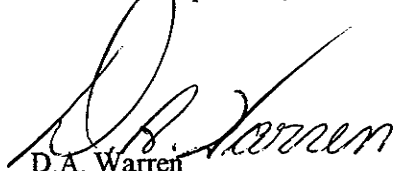
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General Chairperson  
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Suite 32 – 695 Markham Road  
Scarborough ON M1H2A5

RE: General Holiday & Spareboard employees

Dear Sirs:

This has reference to our recent discussions concerning General Holiday payment for spareboard employees who would not normally qualify for payment under articles 68 UTU West and 40(a) UTU East.

At issue are those circumstances when an employee, who avails him/her self for duty, fails to qualify for a General Holiday payment because of slow rotation of a spareboard. In order to address this situation it is agreed that each day that an employee stands available for work on the spareboard, regardless of being used or not, will count toward qualification requirements, provided that the employee qualifies for the spareboard guarantee during the period in question.

The following example serves to illustrate this agreement:

- Employee must have at least 12 days of spareboard guarantee entitlement within thirty days in advance of the General Holiday.
- Working tours of duty will be counted in conjunction with spareboard entitlement days to attain the 12 tours of duty that are required to qualify for a General Holiday.
- Claw back of guarantee payments noted above triggered through penalty action will result in the claw back of any General Holiday payments made pursuant to this understanding.

If the foregoing accurately reflects our discussion, please indicate your concurrence by signing below.

Sincerely,



C.D. Carroll  
Director, Labour Relations



M. Franczak  
General Manager, Field Operations

I CONCUR:



L.O. Schillaci  
General Chairperson (UTU-West)



D.A. Warren  
General Chairperson (UTU-East)

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RE: Appropriate time to be held off in advance of RQ training.

Dear Sirs,

This refers to your concern regarding the appropriate point in time that employees should be held off in advance of RQ training to ensure they have the ability to report for said training in a properly rested condition.

Taking travel into consideration when training is not provided at the home location, our objective is to ensure that employees have adequate rest prior to attending RQ training. As run and away-from-home times vary from terminal to terminal, local managers and local union representatives will meet to establish reasonable cut-off times for this purpose. If unable to agree on appropriate timing, the issue will be advanced to the respective General Manager and General Chair(s) for resolution.

RE: Appropriate time to be held off in advance of RQ training.

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Sincerely,



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Director, Labour Relations



M. Franczak  
General Manager, Field Operations

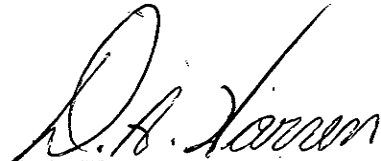
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RE: Payment following RQ training

Dear Sirs,

This refers to our discussions during main table negotiations regarding payment following attendance at RQ training.

In the event that an employee's turn is called from the away from home terminal at or after 0001 on the day following their release from RQ, said employee will be paid a minimum day at the rate of the position and class of service in which regularly employed for the aforementioned lost tour of duty. This payment will be independent of any other earnings generated on the date in question.

Further to the above, in such circumstances, this will confirm that employees will establish their turn in their respective pool or spareboard immediately upon being released from RQ. Employees may book rest following RQ in accordance with their collective agreement.

RE: Payment following RQ training

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Sincerely,

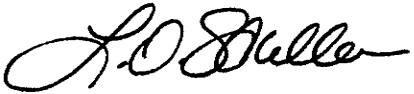


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General Manager, Field Operations

I CONCUR:



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General Chairman (BLE-East)