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MEMORANDUM OF AGREEMENT BETWEEN  
CANADIAN PACIFIC LIMITED (CP RAIL - IFS)  
AND

THE CANADIAN COUNCIL OF RAILWAY OPERATING UNIONS  
CONCERNING THE IMPLEMENTATION OF  
REMOTE CONTROL LOCOMOTIVE SYSTEMS  
AND BELTPACK TECHNOLOGY  
FOR THE PULLDOWN ASSIGNMENTS IN THE  
TORONTO TERMINAL

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**1.0 Effective Dates**

- (a) Effective on the date of signing of this Agreement, Canadian Pacific Limited, CP Rail - IFS (the "Company"), shall have the ability to implement RCLS belt pack technology for all Pulldown Assignments specified in the material change notice.
- (b) All Locomotive Engineer positions on the Pulldown Assignments will be abolished on the actual date of RCLS implementation, and all Pulldown assignments will operate with a yard crew consisting of two persons equipped with RLCS Beltpacks as per the specifications of Appendix "A" attached hereto.
- (c) The Effective Date for benefits pursuant to this Agreement shall be the date of implementation.

**2.0 Agreement Coverage**

- (a) An employee represented by the Council of Canadian Railway Operating Unions (the "Council") who is regularly assigned to a position as;
  - (1) a Locomotive Engineer under the terms and conditions of the "Collective Agreement between Canadian Pacific Limited and the Brotherhood of Locomotive Engineers on behalf of the Locomotive Engineers employed in Canada on CP Rail, Intermodal Freight Systems East of Thunder Bay", or;
  - (2) a Trainman/Yardman under the terms and conditions of "The Collective Agreement between Canadian Pacific Limited and the United Transportation Union on behalf of Conductors, Baggage-men, Brakemen, Car Retarder Operators, Yardmen and Switchtenders employed in Canada on CP Rail - Intermodal Freight Systems East of Thunder Bay"; and
- (b) who has two years of Cumulated Compensated Service (CCS) with the Company on the day immediately preceding this material change will be entitled to benefits pursuant to this agreement.
- (c) Employees with less than two years of CCS are not entitled to any benefit under this agreement.

### 3.0 Maintenance of Basic Rates

3.1 For the purpose of this Agreement, the term "basic weekly pay" is defined as:

- (a) For an employee assigned to a regular position in yard service on the Effective Date, including yard service spare boards, at the time of a displacement or layoff as a consequence of RLCS implementation, 5 days' or 40 hours' straight time pay, including shift differential when applicable.
- (b) 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 or layoff as a consequence of RLCS implementation.
- (c) When computing "basic weekly pay" pursuant to clause 3.1 (b) above, any pay period during which an employee is absent for seven consecutive days or more because of bona fide injury, sickness in respect of which an employee is in receipt of weekly indemnity benefits, authorized leave of absence, or laid off, together with the earnings of an employee in that pay period, shall be subtracted from the twenty-six (26) pay periods and total earnings. 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.

**NOTE:** The amount of basic weekly pay for an employee in road service, as calculated pursuant to clauses 3.1 (b) and 3.1 (c), will in no case exceed \$1,208.44 for Locomotive Engineers, \$1,057.18 for Conductors, and \$977.79 for Trainmen. These amounts will be amended by the amount of any general wage adjustments applicable during the 5 year period immediately following the Effective Date.

- 3.2 (a) Subject to the eligibility provisions contained in Clause 3.2 (d), an eligible employee who has two or more years of cumulative compensated service will be entitled to a Maintenance of Basic Rate Benefit if, as a result of the change, the employee's earnings are reduced.
- (b) An eligible employee shall have his basic rate maintained by payment to such employee the difference between his actual earnings in a four-week period and four times his basic weekly pay. Such difference shall be known as the employee's incumbency. In the event the employee's actual earnings in a four-week period exceeds four times his basic weekly pay, no incumbency will be payable.

- (c) An employee's "basic weekly pay" as determined pursuant to Clause 3.1 will be amended by the amount of any general wage adjustments applicable during the 5 year period immediately following the effective date of benefits entitlement specified in clause 1 (c) hereof.
- (d) An eligible employee shall be entitled to a Maintenance of Basic Rate Benefit provided he/she is able to hold work and:
- (1) The employee exercises seniority to the highest rated position at his/her home terminal or outpost terminal to his/her home terminal in accordance with seniority provisions. In the event of dispute as to the highest rated position to which the employee must exercise seniority, the Company will so designate. Should the Company and Council fail to reach an agreement in any such dispute, the matter may be advanced by the General Chairman as a grievance commencing at Step 3 of the grievance procedure.
  - (2) If, as a consequence of the change, the employee is employed as a Conductor or Trainman, he/she works all vacancies available to him/her consistent with seniority provisions and qualification, including Locomotive Engineer and Yard Service Employee.
  - (3) If, as a consequence of the change, the employee is employed as a Yardmaster, Yard Foreman or Yard Helper, he/she works all vacancies available to him/her consistent with seniority provisions and qualification, including Locomotive Engineer and Yard Service Employee.
  - (4) The employee is available for service the entire four-week period. In the event he/she is not available for service for the entire four-week period, his/her incumbency for that period shall be reduced by an amount equal to the earnings he/she would have earned on the day or days he/she is unavailable. An employee will also be considered as having made himself/herself unavailable for service if he/she books in excess of ten (10) hours' rest at his/her home terminal, or, if in assigned service, is unavailable on an assigned working day.

**NOTE:**

It is understood that legislated mandated rest at the home terminal will be encompassed by the term "personal rest". To qualify as being "available for service" mandated and personal rest must not exceed 10 hours.

- (5) In the application of this clause 3.2 (d), an employee who fails to apply for a higher rated position for which he/she is qualified, by seniority and training, at the home terminal at which he/she is working or outpost terminal to that home terminal will be considered as occupying such position and his/her incumbency shall be reduced accordingly.
- (e) All compensation paid to an employee by the Company during 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 and 2400 on the last day of the four-week period, will be included in computing compensation paid.
- (f) The commencement of the four-week periods specified above shall be 30 days following 0001 of the implementation date, such date to be the effective date for benefits pursuant to this agreement, except that Maintenance of Basic Rate benefits are payable from the date of implementation.
- (g) A maximum of 10 cascading MBR benefits will result.
- (h) Employees shall be entitled to maintenance of basic benefits pursuant to this agreement for a period of five (5) years from the effective date of benefit entitlement.

#### **4.0 Layoff Benefits**

It is agreed that inasmuch as an employee requires a minimum of two years of cumulative compensated service to become eligible for benefits pursuant to this agreement, that the layoff benefits of the Conductor-Only agreement will apply in this instance.

#### **5.0 Cumulated Compensated Service (CCS)**

5.1 One month of cumulative compensated service will consist of availability:

- (a) for yard service employees - 21 days or major portion thereof;
- (b) for road service employees - 30 days or major portion thereof.
- (c) 25 days if in both road and yard service or major portion thereof.

5.2 In the application of Clause 5.1 above, twelve months of cumulative compensated service from date of last entry into Company service as a new employee shall constitute one year of cumulative compensated service. An employee transferring from one branch of the Company into another, in continuous service, shall not be deemed as a new employee. For partial year credit, six or more months cumulative compensated service shall be considered as "the major portion thereof" and shall be counted as a year of credit towards computation of severance or layoff benefits. Service of less than six months of cumulative compensated service shall not be included in the computation.

Example: If employees have 5 years seniority but on each of the 5 years they worked only 5 Months - they will be credited with 2 years 1 month cumulated compensated service, i.e., 5 years x 5 months = 25 months or 2 years 1 month.

## 6.0 Early Separation Allowances

6.1 (a) The early separation plan as outlined herein will be made available to employees who have worked continuously at Toronto Terminal or an outpost terminal thereto, for at least one year as a Council represented employee immediately prior to the date of implementation.

(b) A total of 13 attrition opportunities, consisting of early separation allowances and severances, will be made available as follows:

|      |    |
|------|----|
| 1995 | 2  |
| 1996 | 2  |
| 1997 | 2  |
| 1998 | 2  |
| 1999 | 5  |
| --   | -- |
|      | 13 |
|      | == |

(c) In no case will the number of combined early separation and severance opportunities exceed the maximum number of attrition opportunities, as defined in clause 6.1 (b) above.

(d) Any attrition opportunities not taken during the year in which they are made available will cease to exist, and will not be made available again.

6.2 Locomotive Engineers will receive preference in the awarding of early separation opportunities.

6.3 It is also understood that each separation opportunity taken, regardless of the location it is taken, will

eliminate or reduce the number of MBR or other benefits that might otherwise be triggered.

6.4 To facilitate the awarding of these early separation opportunities, a bulletin will be issued each year. The bulletin will be issued for 120 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 clauses 6.1 and 6.2, provided, of course, that the eligibility requirements are met.

6.5 (a) 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:

| <u>Years of<br/>Cumulated Compensated<br/>Service at<br/>time employee elects<br/>early retirement</u> | <u>Percentage amount<br/>as defined above</u> |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 35 and over                                                                                            | 80%                                           |
| 34                                                                                                     | 78%                                           |
| 33                                                                                                     | 76%                                           |
| 32                                                                                                     | 74%                                           |
| 31                                                                                                     | 72%                                           |
| 30                                                                                                     | 70%                                           |
| 29                                                                                                     | 68%                                           |
| 28                                                                                                     | 66%                                           |
| 27                                                                                                     | 64%                                           |
| 26                                                                                                     | 62%                                           |
| 25 or less                                                                                             | 60%                                           |

(b) An eligible employee, entitled to the separation allowance specified in clause 6.5 (a) 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.

6.6 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.

- 6.7 Eligible employees, as defined in clause 6.0, who elect payment as provided in clause 6.5 above shall be:
- (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.
- 6.8 Applications from eligible employees will be processed on the basis of their earliest seniority date under the respective collective agreements.
- 6.9 The separation allowance shall cease upon the death of the employee who dies before reaching the age of sixty-five (65).
- 6.10 An employee who elects benefits under this Clause will not be entitled to any other benefits provided elsewhere in this Agreement.

## **7.0 Relocation Expenses**

The collective agreement material change provisions will apply.

## **8.0 Severance Payment**

- 8.1 In cases where attrition opportunities, as defined in clause 6.1, remain after the early separation opportunities have been advertised, a bulletin will be issued each year. The bulletin will be issued for 120 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 clauses 8.0, provided, of course, that the eligibility requirements are met.
- 8.2 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:

- (1) 20 years or more cumulative compensated service:  
\$60,000;
  - (2) 12 to 19 years, inclusive, cumulative compensated  
service: \$55,000;
  - (3) 8 to 11 years, inclusive, cumulative compensated  
service: \$50,000.
- 8.3 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.
  - 8.4 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.
  - 8.5 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.
  - 8.6 Applications from eligible employees will be processed on the basis of their earliest seniority date under the respective collective agreements.
  - 8.7 Employees may elect, at their option, to receive the severance payment in two installments over a 13 month period.
  - 8.8 Severance payments, as outlined above, will be made available to employees who have worked continuously at Toronto Terminal or an outpost terminal thereto, for at least one year as a Council represented employee immediately prior to the date of implementation.
  - 8.9 (a) Locomotive Engineers will receive preference in the awarding of severance opportunities.  
  
(b) Requests for early separations pursuant to this agreement shall have precedence over requests for severance opportunities.
  - 8.10 It is also understood that each severance opportunity taken, regardless of the location it is taken, will eliminate or reduce the number of MBR or other benefits that might otherwise be triggered.
  - 8.11 An employee who takes advantage of a severance opportunity provided herein shall not be entitled to any other benefits pursuant to this agreement.
  - 8.12 In no case will the number of combined early separation and



severance opportunities exceed the maximum number of attrition opportunities, as defined in clause 6.1.

8.12 Notwithstanding anything in this clause 8 to the contrary, no payment pursuant to this clause 8 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 Limited Pension Plan.

9.0 General Items

9.1 Any dispute respecting the interpretation, application or alleged violation of this Agreement may be progressed as provided for by Step 3 of the grievance procedure of the applicable collective agreement.

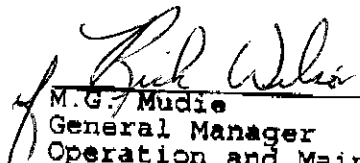
9.2 Existing rules or practices contained within the collective agreement which are in conflict herewith shall have no application.

10.0 Final Resolution


This Agreement disposes all Council demands in respect of the abolishment of positions as a result of the introduction of RCLS technology on the Pulldown Assignments at Toronto Terminal under the provisions of "Material Changes in Working Conditions" Articles of the listed Collective Agreements.


SIGNED AT TORONTO, ONTARIO, this 27th day of MARCH, 1995.

FOR THE COMPANY:

  
M.G. Mudie  
General Manager  
Operation and Maintenance  
CP Rail - IFS

FOR THE COUNCIL:

  
D.A. Warren  
General Chairman,  
Canadian Council of Railway  
Operating Unions (UTU)

  
R.S. McKenna  
General Chairman,  
Canadian Council of Railway  
Operating Unions (BLE)

## Appendix "A"

This Appendix "A" to the Material Change Memorandum of Agreement between the Canadian Council of Railway Operating Unions and Canadian Pacific Limited (CP Rail - IFS) provides the conditions and rates of pay for Yard Service Employees, and Yard Service Helpers, operating remotely controlled locomotives in assigned or unassigned Pulldown service at Toronto Yard, Toronto, Ontario, with a crew consisting of a Yard Service Employee (YSE) and Yard Service Helper (YSH).

### 1.0 Operating

- 1.1 The Company may operate the Pulldown Assignments specified in the material change notice within the Toronto Terminal under the terms of this agreement. It is understood in the application of this agreement the primary duties of RCLS equipped Crew(s) are those traditionally associated with Pull Down Assignments.
- 1.2 (a) The minimum crew on a Pulldown Assignment, when equipped with belt-pack technology, will consist of two employees, a Yard Service Employee (YSE) and a Yard Service Helper (YSH).
- (b) A Yard Service Employee will be in charge of the operation and, accordingly, must be qualified as a Yard Foreman/Conductor.
- (c) The operation and nature of work assigned to a yard crew consisting of an YSE and an YSH, equipped with belt-pack technology, will be the same as that of a yard crew consisting of a locomotive engineer, yard foreman and yard helper.
- 1.3 The positions of YSE and YSH are deemed to be "required" positions as defined by Article 9A of the Collective Agreement governing trainmen and yardmen.
- 1.4 A Yard Service Employee and Yard Service Helpers will be paid as follows:

|                           |      | YSE      | YSH      |
|---------------------------|------|----------|----------|
| Effective January 1, 1995 | 100% | \$20.596 | \$18.822 |
|                           | 95%  | 19.566   | 17.881   |
|                           | 90%  | 18.536   | 16.939   |
|                           | 85%  | 17.507   | 15.998   |

The rates listed above shall be subject to any general wage adjustments arising as a consequence of National Negotiations.

- 1.5 (a) For purposes of the application of the trainman/yardman Collective Agreement, and any other agreements or local rules or practices, to an YSE and/or an YSH, the Preamble of that Collective Agreement is amended to

reflect that the term "Yardman" shall be understood to include Yard Foreman, Yard Helper, Yard Service Employee (YSE) and Yard Service Helper (YSH).

- (b) A yard crew consisting of an YSE and an YSH, whether in assigned or unassigned yard service will be governed by the terms and conditions of the Trainman/Yardman Collective Agreement applying to Yardmen, unless otherwise amended by this Appendix.
- (c) In the event of a conflict between this Appendix and the applicable portion of the Collective Agreement, this Appendix shall prevail.

1.6 Yard Service Employees and Yard Service Helpers, in addition to their other duties;

- (a) Are required to assume the primary responsibility required in connection with the operation of locomotives by means of a remote control belt-pack
- (b) Are required to perform such locomotive related duties as re-starting locomotives, resetting the ground relay, low water, low lube and governor lube buttons, checking locomotive fluid levels when so requested, etc. Shop staff will be deployed in the event that a malfunction cannot be addressed by an YSE or YSH.

1.7 Yard Service Employees and Helpers will be equipped with a remote control belt-pack.

1.8 The Company reserves the right to operate any yard job with a traditional crew if it is deemed appropriate. In those instances, this agreement shall not have application.

1.9 A joint committee, composed of Local Council and Company Officers, will be established and will meet on an "as required" basis to discuss safety, training, operating or other concerns related to yard operations involving belt-pack technology. The joint committees is to be consultative in nature, so as to provide the Council the fullest opportunity of input. However, in the event of disagreement, the Company shall retain the right and the prerogative to proceed with belt-pack operations. Each party will be responsible for their own costs as a result of these meetings.

## **2.0 Seniority**

- 2.1 When YSE or YSH employees are required a bulletin requesting applicants from employees working as Yardmen/Trainmen will be posted by the Ontario South Division Manager.
- 2.2 Successful applicants will be selected on the basis of their latest seniority date as a Yardman/Trainman for a YSH

position, and as a Yard Foreman/Conductor for a YSE position.

- 2.3 If an insufficient number of applications are received the junior qualified employees in the Terminal will be assigned to take training.
- 2.4 Upon completion of training, employees will have the designation qualified YSE/YSH shown with their name.

### **3.0 Filling of Vacancies:**

- 3.1 All assignments in which YSE/YSH service is employed will be advertised for 7 days twice each year at the general advertisement of assignments at the general change of time, Spring and Fall. At the general advertisement of assignments, all assignments shall be considered permanent vacancies.
- 3.2 Permanent YSE/YSH vacancies or new assignments created between the general advertisement of assignments will be advertised for 7 days.
- 3.3 Permanent vacancies or new assignments, which have been advertised, will be awarded to the senior employee applying therefor. In the event of no applicants for a YSE/YSH position, the positions shall be filled as specified in Clause 3.8.
- 3.4 A YSE vacancy of 5 days or more or a vacancy known to be of 5 days or more will be awarded to the senior Yardman applying therefor, as provided in item 2.2 of this agreement. In the event of no applications for such vacancy, the vacancy will be filled in accordance with the provisions of Clause 3.8.
- 3.5 A temporary vacancy on a YSE position of less than 5 days, including extra yard shifts shall be filled in the following manner:
  - (1) The first qualified YSE out on the Yard Foreman's spare board. This will not constitute a runaround of unqualified employees.
  - (2) When not filled under (1) above, the senior qualified YSE working as a YSH on the assignment on which the vacancy exists.
  - (3) When not filled under (1) or (2) above, the first out available qualified YSE on the Yardman Helpers spare board.
  - (4) When not filled under (1), (2) or (3) above, the junior qualified YSE working as a Helper on another assignment starting at the same time as the assignment on which the vacancy exists.

(5) When not filled under (1), (2), (3) or (4) above, the vacancy shall be filled by the junior YSE qualified employee not working as such. Under these circumstances an employee withheld will not suffer any loss of wages as a result. The vacancy created by withholding the YSE qualified employee will be filled from the appropriate spareboard.

3.6 A YSH temporary vacancy of less than 5 days will be filled by the first out qualified yardman from the yard helper spare board. This will not constitute a runaround of unqualified employees.

3.7 A YSH temporary vacancy of 5 days or more, or a vacancy known to be of 5 days or more will be awarded to the senior Yardman applying as provided in item 2.2 of this agreement. In the event of no applications for such vacancy, the vacancy will be filled as specified in Clause 3.8.

**NOTE:** Employees applying for vacancies or new assignments who have not been previously qualified as YSE/YSH will be provided training pursuant to item 4.0 of this Appendix.

3.8 When there is no applicant for a YSE/YSH vacancy of 5 days or more or for a permanent vacancy or new assignment the junior qualified YSE/YSH working on a yard or common spare board will be required to fill it. In the event that no YSE/YSH qualified employees are available on the existing yard spareboards, the junior YSE/YSH qualified employee not working as such will be withheld from his normal assignment and will work the YSE/YSH vacancy. An employee so withheld will not suffer any loss of wages as a result. The vacancy created by withholding the YSE/YSH qualified employee will be filled from the appropriate spareboard.

(a) In the event that no YSE/YSH qualified employees are available, the junior unqualified employee will be trained and assigned to the position. When he is no longer the junior YSE/YSH qualified employee not working as such he will be allowed to vacate the assignment and it will be filled by the junior YSE/YSH.

3.9 A Yardman awarded a position for which he has applied will not have the right to bid the position which he has vacated.

3.10 All entitlements to YSE or YSH work are based upon, and awarded, according to Trainman/Yardman seniority. Accordingly, a senior Trainman/Yardman who elected training and became qualified after a junior Trainman/Yardman would retain seniority even as a YSE/YSH.

#### 4.0 YSE Training

- 4.1 The duration and content of the training course is to be determined by the Company.
- 4.2 Each day of training will be 8 hours or less, and a YSE trainee will be compensated for 8 hours straight time for each day of training at the hourly rate of the position to which regularly held. In no case will the rate exceed that of a Yard Foreman.
- 4.3 Where appropriate, the training course may be shortened to take into account qualifications already obtained by employees to operate hump belt pack locomotives.
- 4.4 Should training occur on a General Holiday the YSE trainee will be compensated at time and one-half for that day.
- 4.5 An employee who, upon completion of the training program, fails to qualify as a YSE will be required to complete such additional training as may be required at no further expense to the Company.

## CP Rail System

## Réseau CP Rail

**M.G. Mudie**  
General Manager  
Operations and Maintenance  
Directeur général  
Exploitation et entretien

March 27, 1995

**W.L. Krestinski**  
General Manager  
Engineering Services - IFS  
Directeur général  
Services de l'ingénierie - STI

Mr. D.A. Warren  
General Chairman  
Canadian Council of Railway  
Operating Unions (UTU)  
695 Markham Road, Suite 32  
Scarborough, Ontario  
M1H 2A5

**R.M.C. Muir**  
General Manager  
Mechanical Planning  
Directeur général  
Planification, Mécanique

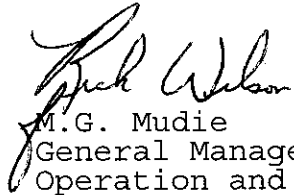
**P.E. Nimigon**  
Chief of Transportation Services  
Chef, Services de transport

Dear Sir:


This has reference to our March 27, 1995 discussions in Toronto with respect to the implementation of RCLS belt pack technology at the Toronto Terminal Pulldown.

Inasmuch as this technology is being introduced it is agreed that a joint committee is required, as outlined in Item 1.9 of Appendix "A" of the material change agreement. It is agreed that a single joint committee will be established to discuss issues of safety, training and operating for the Pulldown and Hump assignments. In order to ensure that the operation is successful it is agreed to meet monthly. While you are in agreement with that concept you have expressed concern with an employee losing wages to attend these meetings. Therefore, it is agreed without precedent or prejudice, to reimburse a single representative for one days lost wages per month with the maximum being 8 hours at YSE rates. It is further agreed that the employee representative must be a qualified YSE/YSH.

Yours truly,

  
M.G. Mudie  
General Manager  
Operation and Maintenance

I CONCUR

  
D.A. Warren  
General Chairman  
CCROU (UTU)

MAR 27 '95 09:55 FR

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P.02

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65, Front Street West  
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# CP Rail System

# Réseau CP Rail

**M G Mudie**  
General Manager  
Operations and Maintenance  
Directeur général  
Exploitation et entretien

March 27, 1995

**W L Kneetnick**  
General Manager  
Engineering Services - IFS  
Directeur général  
Services de l'ingénierie - STI

**R M C Muir**  
General Manager  
Mechanical Planning  
Directeur général  
Planification Mécanique

**P E Nilsson**  
Chief of Transportation Services  
Chef, Services de transport

Mr. D.A. Warren  
General Chairman  
Canadian Council of Railway  
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Mr. R.S. McKenna  
General Chairman  
Canadian Council of Railway  
Operating Unions (BLE)  
150 Metcalfe St., Ste 1403  
Ottawa, Ontario  
K2P 1P1


Dear Sirs:

This has reference to our March 27, 1995 discussions in Toronto with respect to the implementation of RCLS belt pack technology at the Toronto Terminal Pulldown.

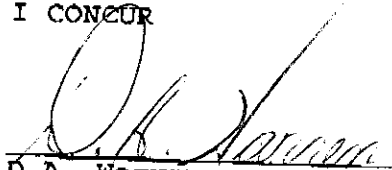
You expressed a concern that the Toronto Terminal was unique on IFS, for a number of reasons.

Therefore, it is agreed without precedent or prejudice, that an employee entitled to a Maintenance of Basic Rate benefit under the RCLS material change agreement dated March 27, 1995 need not exercise seniority to an outpost terminal to protect their MBR. Such employees may, however, still be required at outpost terminals under the terms and conditions of the collective agreement.


Yours truly,

  
M.G. Mudie  
General Manager  
Operation and Maintenance

I CONCUR

  
D.A. Warren  
General Chairman  
CCROU (UTU)

I CONCUR

  
R.S. McKenna  
General Chairman  
CCROU (BLE)