



**CANADIAN
PACIFIC**

Letter of Understanding - Re: Time Pools, Scheduled Days Off, Job Sharing and Voluntary Layoff at Cranbrook and Fort Steele

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

Mr. D. Olson
General Chair – Trainmen West
Teamsters Canada Rail Conference

February 27, 2009

Dear Sirs;

This refers to our discussions in Calgary on February 26 and 27, 2009.

It was agreed upon by the parties that a fatigue management plan will be established at Cranbrook and Fort Steele. This may include one or a combination of the following: time pools, split spareboard, and/or scheduled days off. A full assessment will be conducted for each initiative to determine which will be implemented.

It was agreed upon by the parties that strategies to improve employee retention and lifestyle, may be implemented in Cranbrook and Fort Steele. This may include one or a combination of the following: job sharing, voluntary layoff and the ability of Running Trades Employees at the location to take their vacation accumulated in the current year. A full assessment will be conducted for each initiative to determine the feasibility and effectiveness of same.

This letter also confirms the commitment between the parties regarding the investigation and implementation of initiatives that will be mutually beneficial to all parties. With this in mind the following principles must be inherent in any initiative:

- Initiatives must be on a cost effective and not cost prohibitive basis;
- Initiatives must be administratively manageable;
- Expensive programming changes within the Crew Management Application are not contemplated by any initiative;
- Train operation needs must be covered at all times; and
- Safety must not be compromised.

Any disagreement with regard to the interpretation of the above will be escalated to the Director of Labour Relations and the General Chairmen of the TCRC. In the event that a disagreement remains, the matter will be escalated to the AVP of IR, AVP of OPs and the Vice President of the TCRC. In the event a disagreement still remains, any outstanding issues will be advanced to a mutually agreed upon third party for resolution.

The Union agrees to provide a description of the information requested within fifteen days from the date of this letter. The Company undertakes to provide relevant data to the TCRC within fifteen days after an information request is put forth to the Company.

The initial meeting between the parties will take place within 60 days from the signing of this letter. Upon discussion of the issues at this meeting, appropriate timetables of subsequent meetings and implementation plans will be created by the parties.

Please sign below to acknowledge your concurrence with the above:

For the Company:



Doug McFarlane
AVP Operations – West



Rick Wilson
AVP Industrial Relations



John Bairaktaris
Director Labour Relations



Alia Azim Garcia
Manager Labour Relations



Michael Goldsmith
Labour Research

For the Union:



Dave Able
General Chairman
Locomotive Engineers - West



Dave Olson
General Chairman
Trainmen – West



Al Singer
Local Chair
Engineers



Blair Church
Local Chair
Trainmen



Brad Knight
Vice-Local Chair
Trainmen