

**MEMORANDUM OF AGREEMENT
BETWEEN
the St. LAWRENCE & HUDSON RAILWAY (A SUBSIDIARY OF
CANADIAN PACIFIC RAILWAY)
AND
the CANADIAN COUNCIL OF RAILWAY OPERATING UNIONS
(BLE/UTU)
REGARDING POINT TO POINT (PTP) TRAIN OPERATIONS BETWEEN
St. THOMAS AND OSHAWA, ONTARIO**

This Agreement recognizes the unique economic environment within which the railway and its employees compete. It is intended to enhance the employer's ability to operate efficiently within this environment, thereby enhancing the job security of its employees and the Company's competitive edge in the auto parts business.

Crew Consist

1. Trains in PTP service will operate with a crew consisting of no less than a conductor and locomotive engineer. The Company may, at its option, augment this crew consist with the addition of a brakeperson. In such circumstances, that brakeperson will be compensated at the required brakeman rate.
2.
 - a) This Agreement will facilitate the operation of trains between St. Thomas and Oshawa with employees who have London as their assigned home terminal. It is recognized that in the event that an assignment is awarded to a Toronto employee and he/she is no longer able to stand for this work, they will be allowed to exercise their seniority back to Toronto.
 - b) Trains will operate straightaway, in both directions, between Oshawa and St. Thomas.

3.0 Assigned Service

3.1 It is intended, traffic volumes permitting, to operate trains between St. Thomas and Oshawa, on an assignment basis. When trains are operated in this fashion, the following shall apply.

3.2

- a) Assignments will be bulletined, specifying start/on duty time at St. Thomas and Oshawa, and assigned days of work and rest.
- b) In the event that there is a change in the bulletined start/on duty time greater than 1 hour, or an assignment is to be abolished, same shall be bulletined seven (7) days in advance.
- c) No less than 24 hours notice will be provided in the event that an assignment is to be cancelled on a specified day.

3.3 Notwithstanding Clause 3.2 above;

- a) Changes in start time of an assignment may be delayed by up to 2 hours, on an ad hoc basis, without re-bulletining the assignment, and crew will be provided a 2 hour call by the Crew Dispatcher, indicating the ordering time of the assignment. In all circumstances the on duty time for the crew will commence no later than 2 hours after the scheduled start time. The members of the crew may upon request have the 2 hour call amended according to personal requirements.
- (b) Where it is required to change the start time of an assignment for a longer period, so as to facilitate work programs or other temporary condition, the signatory parties may mutually agree, at a local level, to such change without re-bulletining the assignment.

3.4 Upon accepting a call for work commencing at St. Thomas, or when regularly assigned to this service, such employee's will not be permitted to book rest at Oshawa, past the start time of the return portion, Oshawa to St. Thomas. The ordering time at Oshawa may be set back 1 hour from the scheduled start time. Under all circumstances-the crew will come on duty not later than 1 hour after the scheduled start time.

4.0 Compensation - Assigned Service

4.1 Crews on trains in an assigned service will be compensated as follows for each leg of the trip, St. Thomas to Oshawa and Oshawa to St. Thomas. Each such leg shall be considered a complete single tour of duty. These rates will not be subject to the review process specified in the Method of Pay Agreement.

- a) A flat rate of 145 miles, one way, for each leg of the trip;
- b) The length of run and length of train specified in the collective agreement; plus
- c) Time, on the minute basis at 12.5 miles per hour, for all time in excess of 2 hours and 45 minutes cumulative initial and final time.
- d) Provided they are available for service as required, crews assigned in this service will be guaranteed their weekly compensation as per the terms of this agreement.

4.2 Trains in this service will be required to:

- a) Double together or yard the train, as required at St. Thomas; and
- b) Double together or yard the train at Oshawa. This will not include spotting the train at the plant.
- c) Crews may be required, with no additional compensation, to marshal trains to meet regulatory requirements, set out bad orders, and lift repaired bad order cars at Oshawa and St. Thomas.
- d) Trains in the service may be required, on an exception basis, to lift automotive business traffic enroute, and take same on to Oshawa or set it off at Lambton. This is permitted and the Conductor-only premium will be paid. Employees assigned to this service shall not

4.3 For purposes of this agreement, the following shall apply with respect to OMTS point for purposes of calculating cumulative initial and final time:

St. Thomas - Wabash Transfer, mileage 32.0 St. Thomas Subdivision

Obico - mileage 10.0 Gait Subdivision

5.0 Compensation - Unassigned Service

5.1 In the event that extra trains are operated in this service on an ad hoc basis, or there is not sufficient traffic to operate trains on an assigned service, unassigned crews will be governed and compensated under the terms of this agreement.

6.0 Spare Men

6.1 When called to relieve on an assignment spare men shall be governed by this agreement and compensated:

- a) As per the terms of this agreement for the working service;
and
- b) When called on an ad hoc basis, a 4 hour deadhead each way. Employees authorized to use their personal vehicle will be compensated as per the appropriate article of their respective agreements. This 4 hour deadhead and time spent traveling to and from St. Thomas is exclusive of the work day for purposes of the Rest rule.
- c) When called to relieve on a temporary vacancy of 6 days or more, the deadhead payment referred to in Clause 6.1 will apply once at the beginning of the vacancy and once at the end of the vacancy, when the regular man returns.
- d) In the application of (b) and (c), employees deadheading to St. Thomas may not book rest past the starting time of their assignment.

- 6.2 Spare locomotive engineers' called for these assignments who are not familiar with the territory between Staines and Oshawa Yard, will advise the crew dispatcher of same, and a pilot will be provided.
- 7.0 Cancellation Clause
- 7.1 Either party may serve a 60 day notice of their desire to review the terms of this Agreement and both parties agree to meet within that time frame to discuss all outstanding issues. In the event that no agreement is reached, this agreement will be null and void 30 days after the expiry of the 60 day notice.
- 8.0 Agreement Basis
- 8.1 It is agreed that this agreement is entered into on a without precedent or prejudice basis to any of the signatory parties. Both parties agree that this agreement will not be used in any other forum without the express written consent of the other party.

Signed at Toronto this 18th day of July 1998.

For the Company
Signed
Matt Oliphant
For
S.M. Bromley
District General Manager
St. Lawrence & Hudson Railway

Signed
D.V. Brazier
Director Labour Relations
St. Lawrence & Hudson Railway

Signed
J.J. Fletcher
Manager Road Operations
St. Lawrence & Hudson Railway
London, Ontario

For the Union
Signed
D.A. Warren
General Chairperson
Canadian Council of Railway
Operating Unions (UTU)

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

Signed
W.B. Foster
Vice General Chairman
Canadian Council of Railway
Operating Unions BLE 528

Signed
P.N. Wynne
Vice Local Chairperson
Canadian Council of Railway
Operating Unions UTU 568

Signed
T. Sonier
Local Chairman
Canadian Council of Railway
Operating Unions BLE 528

Signed
R.F. Hewitt
Local Chairman
Canadian Council of Railway
Operating Unions BLE 295

Signed
R. Hosang
Local Chairperson
Canadian Council of Railway
Operating Unions UTU 416

Signed
C. Smith
Local Chairperson
Canadian Council of Railway
Operating Unions UTU 416

St Lawrence & Hudson Railway
Canadian Council of Railway Operating Unions.

July 18, 1998

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

Mr. R. S. McKenna
General Chairman
Canadian Council of Railway
Operating Unions (BLE)
Suite 309
8989 MacLeod Trail S.
Calgary, AB T2H 0M2

Dear Sirs:

During the course of the negotiations with respect to the establishment of PTP train operations between St. Thomas and Oshawa, ON the union raised concerns with respect to the yarding of trains in Oshawa Yard. Specifically, the Union asked that yarding of trains be restricted to tracks VS1-VS17. Its concern was that if the trains were yarded elsewhere the possibility existed that the incoming crew might, in the course of yarding the train, be required to do work normally performed by yard crews.

In response, the Company indicated that it was not the purpose to have the road crews do work normally done by yard employees. In fact, expeditious yarding of trains was essential if this operation was to provide satisfactory service to the customer. Therefore every effort would be made to ensure that the trains would be yarded promptly.

As a result of this assurance by the Company, the union dropped its demand to have restrictions placed upon where these trains could be yarded in Oshawa.

Yours truly,
SIGNED
Director Labour Relations

St Lawrence & Hudson Railway
Canadian Council of Railway Operating Unions.

July 18, 1998

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

Mr. R. S. McKenna
General Chairman
Canadian Council of Railway
Operating Unions (BLE)
Suite 309
8989 MacLeod Trail S.
Calgary, AB T2H 0M2

Dear Sirs:

In the PTP agreement establishing PTP train operations between St. Thomas and Oshawa, ON signed today, the parties provided that these trains could not do transfer work in Toronto Terminal.

In connection with this, it was agreed that if it could be demonstrated that such transfer work was performed by these crews, then the first out spare Locomotive Engineer, spare Yard Foreman and spare Yard Helper at the time of the infraction would be entitled to a basic day's pay.

Yours truly,
SIGNED
Director Labour Relations