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Director Labour Relations

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March 28, 2014

Mr. D. Able General Chairman TCRC – LE West 101-10820 24th St. SE Calgary, Ab T2Z 4C9 Mr. D. Olson General Chairman TCRC – LE West 101-10820 24th St. SE Calgary, Ab T2Z 4C9

Dear Sirs,

This has reference to ongoing discussions between the parties with respect to the application of Conductor Only provisions for crews operating in Road Switcher service. Due to the varying degrees of misapplication/claims by both management teams and employees it was necessary to conduct an internal review into the current application of Conductor Only as the Collective Agreement provisions apply to Road Switcher. Clearly both the Union and the Company want to ensure that the agreement provisions are complied with and that our employees are compensated correctly.

As you are aware the review of applicable Collective Agreement provisions has been completed and discussed with you. As a result of our discussions, we agree that Conductor-Only premiums are applicable under specific circumstances and scenarios; such as those appended hereto. We also agree that Conductor Only Road Switcher crews cannot work exclusively within yard/switching limits during an entire shift. As committed the Company will ensure that the agreed upon application will be applied as outlined on page 2, hereto.

During our discussions the Company advised that in order to ensure employees were correctly compensated when performing Conductor Only Road Switcher service that it was necessary to temporarily suspend the payment of these provisions until we completed our review. This will confirm that as a result of this understanding, the Company will resolve any active grievance/claims that reflect the resolution of this issue.

The Company will commence reviewing active claims/grievances and where applicable place in line for payment within fourteen business days. The Company commits to provide your offices with a detailed list of the matters addressed and will be available to review the list(s) at your earliest convenience.

Sincerely,

David E. Guerin

Director, Labour Relations

Road Switchers	Work performed	Compensation	Article
Conventional three person Road Switcher	Complete tour of duty is performed exclusively within yard/switching limits.	Paid yard rates and yard conditions apply.	CTY - 10.02(2)(a) LE - 8
Conventional three person Road Switcher	Works within an area of 30 main track miles from the OMTS or designated point in any direction from initial starting point.	Paid Road Switcher rates and applicable conditions.	CTY - 19 LE - 8
Conductor Only Road Switcher	Where <u>yard crews are not employed</u> in a terminal a Conductor Only crew can perform other switching as necessary at terminals.	Entitled to CT payment from the time such work commences until such time as train is assembled for final departure. Crew may also be eligible for up to 3 EC payments and may be required to perform work at up to 5 stops enroute. Entitled to CT payment if required to perform work in yard on return from road work and/or prior to final yarding of train.	CTY -10.02(3)(a,b) 10.02(2)(a,b,c) LE - 2.23, 3.02
Conductor Only Road Switcher	Where <u>yard crews are</u> <u>employed</u> in a terminal — at initial terminal the Conductor Only Road Switcher is restricted to performing switching on their own train.	Entitled to CT payment from the time such work commences until their train is together for final departure. Crew may also be eligible for up to 3 EC payments and may be required to perform work at up to 5 stops enroute. Entitled to CT payment if required to perform work in yard on return from road work and/or prior to final yarding of train.	CTY -10.02(3)(a,b), 10.02(2)(a,b,c) LE - 2.23, 3.02