



TEAMSTERS CANADA RAIL CONFERENCE

General Committees of Adjustment – Bargaining Committee
Canadian Pacific Railway

Greg Edwards
John Campbell
General Chairman
Locomotive Engineers

Dave Fulton
Wayne Apsey
General Chairman
Conductors, Trainmen, Yardmen

April 26, 2018

VIA EMAIL

Dear Sisters and Brothers:

This is in response to the latest Company contract proposal and letter from Chief Executive Officer, Mr. Keith Creel. You will be receiving this offer in the form of a mail-out from the Canadian Industrial Relations Board shortly. The mailing list will be scrutinized by all parties. The Board is finalizing the process and we will provide updates as we receive them.

As you will read, we have significant concerns and objections with the Company's last offer. Our legal counsel has written to CP's counsel to outline the issues and inform the Company of our rights including the right to pursue the appropriate applications/complaints to the Board or under the Collective Agreement and the right to take appropriate positions on the legality and the consequences of the purported grievance resolves. If the Company responds, we will inform you accordingly.

This proposal from the Company is the first time they have moved even slightly from their original bargaining demands and while we appreciate that, this offer remains inadequate for many reasons, some of which we will explain below.

As you will also see, contrary to recent letters, there are significant concessions within the final offer including Train Length to pre-2014 employees and the Company changing the language with respect to Turnaround Junction (TJ)

Many of the items in the proposal were agreed to in the failed one-year MOS and some had already been awarded through the grievance process. We take no issue with most of these items but not all are appropriate in a three-year collective agreement, such as a limited pilot project for holding your turn for medical reasons.

This proposal has no provisions to address fatigue management and lifestyle issues, which are a very high priority for the membership.

Please find below our explanations on many of the items in the agreement and some issues which aren't addressed. This document is not prepared to be an exhaustive list of the positions we have and continue to hold at the negotiating table. We hope it is inclusive enough to allow you to make an informed decision and reject this proposal so we can get back to the bargaining table and work out an acceptable agreement.

TERM OF CONTRACT

Amend Article 83 (CTY) and Article 40 (LE) to read:

83.01/40.01 This Agreement is effective January 1, 2018 as amended and updated, shall remain in full force and effect until December 31, 2020, and thereafter until revised or superseded. In accordance with the Canada Labour Code, S. 49(1), this Agreement will be subject to four months written notice preceding the date of expiration of the term, from either party to the Agreement, of its desire to revise, amend or terminate it.

- In the 2015 round that resulted in the Adams decision, the parties agreed to language regarding the expiration of the Collective Agreements. The language is not in the Company's **draft** of the Consolidated and the above is an attempt to overwrite that agreed upon language. The Company did not have a demand related to altering this language.

Disability Benefits (WIB)

The Company has offered yearly increases of \$10 per year.

- The Company's offer is insufficient and not industry standard.

Dental Plan

The Company has offered no annual maximum increase to dental.

- The Company's offer is insufficient and not industry standard.

Vision Care

Modify the provision concerning to include laser eye surgery every two years.

- The provision was most likely part of their offer to justify giving it to the non-unionized employees. This was not the Union's demand.

Pension

The Company's offer includes letters with the Union participating in the Pension Improvement Account. "This would **move pensions away from the bargaining table** and would allow the Union to propose changes based on the financial health of the plan." See letter and attachment at Appendix 1 regarding Pension Improvement Committee.

- This does NOT address our demand.
- The TCRC does NOT endorse this proposal and sought improvements to pension levels of all employees including post 2014 employees.
- This is an attempt by the Company to remove the ability to negotiate the pension cap through collective bargaining as contained within the Kaplan award.
- We have always opposed the pension improvement committee as it sets arbitrary targets.

Material Change Provision

As this is identified in the recent correspondence by the Company as a concession the changes are:

- The timelines are clarified in the provision.
- The relocation expenses were updated.
- Specific benefits that are typical in a material change have been put into the CA Articles.

Courtesy Calls

The Company has indicated that this was previously agreed to as per the 9/13/2017 letter.

- The Union did not agree to the provision as written. The Company has added bullet point one and two both of which were not contained within the 9/13/2017 letter.
- This has the effect of reducing your rest if you utilize the courtesy call.

Turnaround Junction (TJ) - all agreements to reflect current LE West provisions as follows:

The Company's proposal changes the language in the CTY west to so that payments at Turnaround Junction points will now be used to make up a minimum day.

- The Company did not table this demand nor was it part of any outstanding list.
- Contrary to the Company's recent letter, this is a substantial concession to the Western Conductors and Trainmen. The proposed Company language means that TT&J will go against the minimum day for West Conductors and Trainmen, reducing your pay.

Train Length Allowance

- Amend Train Length Allowance provisions in the Consolidated Collective Agreement to include the following:
 - Effective the first day of the month following ratification employees hired after January 1, 2014 and thereafter will be eligible for Train Length Allowance subject to the following conditions;
 - Employees hired after January 1, 2014 will become eligible for Train Length Allowance in the seniority order they hold on the applicable Eastern and Western Seniority roster whenever an attrition event occurs of an employee hired prior to January 1, 2014.
 - Entitlement is based on the total number of pre-January 1, 2014 Train & Engine employees currently eligible for train length allowances as of April 20, 2019. On a go forward, basis the total number of eligible employees shall not exceed 2273.

b) Effective the first day of the month following ratification train length allowances will apply:

Train Length	Pre 2014 Rates	Post 2014 Rates
3,801 to 5,000 feet	\$4.00	\$2.80
5,001 to 6,000 feet	\$8.00	\$5.60
6,001 to 7,000 feet	\$14.00	\$9.80
7,001 to 8,000 feet	\$22.00	\$15.40
8,001 to 9,000 feet	\$32.00	\$22.40
9,001 to 10,000 feet	\$44.00	\$30.80
10,001 to 12,000 feet	\$59.00	\$41.30

- The Unions proposal included **train length and length of run increases for all employees** regardless of their date of service. Length of Run has not been addressed for Post-2014 employees.
- The Company’s proposal continues with a two-tiered pay that is completely unmanageable.
- The Company’s proposal removes “and over” from the language and eliminates all train length payable with over 12,000 ft. **NOTE that if you operate a train that is longer than 12,000 feet, there is NO applicable payment according to the language.** Given the substantial savings of when operating trains over 12,000 feet, the Company might actually gain on this proposal.
- Contrary to the Company’s recent letter, this is a **substantial concession to all pre-2014 employees in Canada.**
- The Company’s offer is insufficient and not industry standard.

Consolidated Collective Agreement

The Company’s proposal; “The Consolidated Collective draft agreement provided to the Union on July 7, 2017 will be considered the final and binding version and distributed to managers and employees. This is in compliance the December 8, 2015 Justice Adams Decision.”

- The Company acknowledges that the document is **simply a draft** and subject to the parties editing and approval.
- The Company is well aware of the fact the Union has not had additional input into this document and are willing to finalize.
- In the Adams decision, the award contemplates that any outstanding issues may be referred to him for resolution. The Company’s proposal to consider the draft as a final and binding version is their attempt to circumvent this process.
- The Company has made numerous changes to the document which are unacceptable and cannot be subject to the process unless the membership is fully aware of the document and its shortcomings.

Medical Hold Pilot

Amend the Family Care Letter to include a pilot for the term of the Collective Agreement for the ability to hold turns for personal medical appointments

- While this clause somewhat addresses the TCRC demand, we do not want this to be a pilot project, but rather have the language inserted into the Collective Agreement available for all employees in every terminal
- A pilot for a few terminals is not acceptable for a 3-year-term.

Kootenay Valley Railway

The Company has added the proposals related to the KVR to the overall final offer.

- The KVR is negotiated separately and subject to ratification by the employees on the KVR. The proposals must be separate and distinct in order to be voted on correctly.
- Notwithstanding the previous concerns, the Company has misrepresented the Term of the contract or purposefully altered it. The KVR agreement expired December 2016. Effectively those employees would not have a wages increase for 2017, a year when everyone else received a 3% increase.
- Contrary to the Company's letter, the offer includes **concessions requiring the KVR employees to operate beyond the agreed upon limits of their territory** without any added compensation. Similarly, the Cranbrook employees will lose work as a result without addressing those adverse effects.

Non-Disciplinary Grievance Resolve Letter

- The Union Executive did not endorse this letter and are opposed to this offer.
- The Company's proposal is an attempt to let itself off the hook for its countless violations of the Collective Agreement. This offer would force many members to abandon their grievances and require the Union to forfeit all of its outstanding policy grievances, including those on important issues such as drug and alcohol testing, benefits while on suspensions and the Fitness Assessment Policy grievance. Some of which are scheduled to heard in the coming months.
- The Company is attempting to "wipe the slate clean" of its past indiscretions for the measly price of \$1,000 per member. This is a steal for the Company and an insult to the membership.
- The ability to grieve is fundamental to your rights as a unionized worker. We are vehemently opposed to any Collective Agreement language that seeks to undercut your rights and allow the Company walk away from its past violations scot-free.

While the items above are not the only issues that your Bargaining Committee has with the Company document, they are some of the items that cause us particular concern. Again, your Bargaining Committee recommends that you **REJECT** the Company offer, as we believe we can achieve a more equitable settlement with the employer that addresses **the Membership's original contract demands including fatigue issues**. We believe once you have thoroughly reviewed the document, you will agree with our assessments.

Your Bargaining Committee thanks you for your patience through this long process.

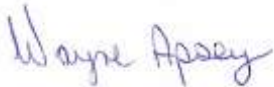
In Solidarity,



Dave Fulton
General Chairman - CTY West



Greg Edwards,
General Chairman - LE West



Wayne Apsey
General Chairman, CTY East



John Campbell
General Chairman, LE East

cc: Mr. Doug Finnon, President TCRC
Mr. Rolly Hackl, Vice President TCRC