



Myron Becker
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Hand Delivered

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General Chair LE West
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Dave Fulton
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General Chair LE East
381 Queen Street
Peterborough, ON
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Wayne Apsey
General Chair CTY East
5334-361 Queen Street
Smiths Falls, ON
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Gentlemen,

Below and attached is a summary of several key issues the Company wishes to discuss with your selves.

The Company reserves the right to add to, revise, modify, substitute, amend, or withdraw any of the following, at its sole discretion. Any settlement or agreement reached on any item or items is conditional upon the conclusion of a global, total, and comprehensive memorandum of settlement, which has been ratified.

In addition, the inclusion of any particular issue is not an admission that the Company must collectively bargain the issue; rather, it is included to inform the TCRC with a view to undertaking meaningful consultation on the issue.

This letter will give you a quick overview about the "why" behind the issues raised, which is further described in the attached Bargaining Proposal.

We must look at solutions that are consistent with the Company's Foundations and work toward the betterment of the Company and our employees. This includes consideration of the traditional issues of term, wages and benefits.

Please note that while we are making some proposals, we are open to receiving any comments or counter proposals that the TCRC may have that align with our Foundations.



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1. General: Term, General Wage and Benefits Increase:

To provide stability and certainty for the Company and our employees, we would like to implement an agreement with a term of five years.

We believe that there should be a wage increase in every year of the contract consistent with the pattern wage increases agreed upon and ratified by the other Unions this year. We also believe that consistent with the current pattern found in the other Agreements, various employee benefits can be augmented.

2. Material Change Provisions:

Current Material Change provisions are time consuming, delay the implementation of important change initiatives and don't reflect the benefits negotiated/ arbitrated by the parties in the recent past.

The result is the Company is looking to replace the current Material Change provisions in their entirety to better suit the needs of both parties and reflect the recently established benefits.

3. Employee Availability Provisions:

Employee availability continues to be a primary concern for the Company and as such the Company's proposals with respect to employee availability will address the following items:

- a. **Monthly Mileage Thresholds** to only include operating miles as chargeable miles.
- b. **Heldaway Entitlements** to be exclusive of rest booked (reduced by the number of hours of personal rest taken). In addition, held away pay will stop when crew is on duty as opposed to taking control of their train.
- c. **Annual Vacation Flatline** to be established over a 52 week period.
- d. **General Holiday Payment** will require employees to be available for 24 hours prior and following a General Holiday.



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4. Spareboards:

The existing number of spareboards create additional administrative handling and reduce employee availability. The Company is proposing the implementation of a common spareboard.

We look forward to working with you and the CPPA on these issues and in a timely manner we look forward to renewing our Collective Agreement.

Yours truly,

Myron Becker
Assistant Vice President
Labour Relations

CC:

Robert Johnson, EVP Operations
Dave Guerin, Senior Director Labour Relations
Doug Finnson, President TCRC
Rolly Hackl, Vice President TCRC