

**CPR-TCRC – 2006 NEGOTIATIONS**  
**COMPANY ISSUES**

Canadian Pacific Railway is focused on operating a consistent Railway by developing strategies to increase fluidity and ensure execution excellence. To move in this direction, all areas of the organization are working hard to simplify business processes, lower costs, and increase the flexibility of their operations.

Our unionized employees play a significant role in our Company. We need to ensure that our people have clear expectations and straightforward processes so that they can be as effective as they can. This extends to our collective agreements, which need to be current, clear and concise.

Simplification of the collective agreement would serve to accomplish gains for the Company, the Union and the employees by enabling the following:

- More consistent application of the agreement
- Reduced rework, reduced grievances, reduced arbitration
- Reduced error rates will benefit employees as issues can be handled more quickly and with less ambiguity
- Increased effectiveness for front line managers on collective agreement issues.
- Increased awareness of the collective agreement for new hires.
- Simplification and clarity will enhance the ability of local managers and local union officers to solve issues.
- Reduced friction between all parties (employees, front line managers, Industrial Relations, union executives) over ambiguous issues.
- Reduced costs associated with the complexity and ambiguity of the existing collective agreement.

Flexibility is also important to allow the Company to compete in today's world, as well as to deal with the demands of tomorrow. CPR is the smallest of the Class 1 Railways, and must make significant gains to match the operating ratio of our competitors. That will require increased flexibility from both an operating and scheduling standpoint which will lead to an overall reduction in costs. There are many ways to achieve this, which will be explored during our discussions.

The following issues are reflective of our focus on simplification, clarity and increased flexibility.

**Term**

1. Implement an agreement with a minimum term of 4 years.
  - Purpose: Provide opportunity to implement the agreement and allows employees to become familiar with the content and how it functions. A four year term provides stability to the Company and our employees.

**Unassigned Freight Service & Conductor-only Train Operations**

2. Eliminate restrictions on work that may be performed by Conductor-only crews at initial, final and enroute locations.
  - Purpose: Simplify the work rules and facilitate the timely movement of traffic in a cost effective manner.
3. Eliminate Length of Run and Length of train premium payments.
  - Purpose: Simplify the pay system and reduce costs.
4. Eliminate 100 mile payment for Locomotive Engineers for switching at final terminal.
  - Purpose: Simplify the pay system, standardize the pay rules between crafts and facilitate the timely movement of traffic in a cost effective manner.
5. Apply the terms for the implementation of the Expanded Crew Change Point (ECCP) at minor terminals to all terminals, eliminate restrictions regarding the performance of work when run long and expand radius to 30 miles or furthest clearing point at next siding.
  - Purpose: Enable the expansion and simplify the application of the ECCP provision.
6. Create a new provision to permit the establishment of InterDivisional Runs without need to serve a material change notice. Elements to include: 12 hour day, process to address relocation in the event of running through a main home terminal.
  - Purpose: To facilitate the establishment of IDR pools and/or assignments.

**Wayfreight & RoadSwitcher Service**

7. Eliminate Wayfreight and RoadSwitcher Service articles and create a new Assigned Freight Service rule which would permit crews to perform work on any subdivisions or in any yards where required. Key elements to include: 12 hour day, standard hourly rate with no arbitrary payments, provisions regarding days off, and rules regarding relief as well as extra & adhoc calls.
  - Purpose: To enable the creation of more assignments which will help address employee work/life balance issues. Simplify work rules. Increase work rule flexibility in order to get required work completed.

**Worktrain Service**

8. Eliminate 100 mile payment for handling of revenue freight cars and establish a standard hourly rate with no arbitrary payments.
  - Purpose: Simplify the pay system.
9. Provide for a 12 hour day in work train service.
  - Purpose: Recognize that in many cases, required work takes longer than 10 hours. Reduce need for “local” dealing.

10. Eliminate road/yard distinction in work train service.

- Purpose: Facilitate work performed by a worktrain and recognize that both road and yard employees can bid on work train assignments.

### **General Road Service Rules & Allowances**

11. Eliminate the Maximum Monthly Mileage

- Purpose: To enable employees to maximize earnings and enhance employee productivity, and to recognize that the Maximum Monthly mileage provision is an archaic method to provide time off which has limited application given other provisions in the collective agreement.

12. Modify the Heldaway from Home Terminal provision so that payment does not commence until employees are held for 11 hours (10 hours for Conductor-only crews) plus the amount of rest booked at the away from home terminal.

- Purpose: Recognize that under current rules crews through exercising right to rest can impact the amount of time held at the away from home terminal.

### **Yard Service**

13. For locations that have implemented RCLS, include an article outlining the rules of work and pay for Yard Service Employees.

- Purpose: Standardize and make available rules for RCLS operation.

14. Create a single rule recognizing the use of utility positions at both locations where RCLS has been and not been implemented. Elements to include: Rates of Pay, and Function.

- Purpose: Clarify roles and standardize pay for Utility positions

15. Establish a provision for Overtime Averaging for Yard Employees.

- Purpose: Ensure that Overtime is paid only in circumstances where employees work more than 40 hours per week on average.

### **Deadheading Rules & Turnaround Combination Service (TCS)**

16. Modify language so that a straightaway deadhead by taxi or bus is to be paid for time occupied only with no minimum.

- Purpose: Reduce non-productive costs recognizing the decreased amount of time it takes to deadhead by taxi and/or bus.

17. Modify and clarify language regarding TCS as follows:

- Modify language so that TCS crews are not run first in/first out at away from home terminal in relation to straight-away crews.
- Clarify language so that it is understood that a crew can be called in TCS to deadhead to the away from home terminal and work to an intermediate point.
- Clarify language so that it is understood that when straight-away crews are run-around at the away-from home terminals, the TCS crew is not entitled to a payment of 100 miles for the deadheading portion of the trip.

- Purpose: Ensure that TCS crews return home at the end of their tour of duty and clarify language for ease of understanding and administration.

### **Rest Rules**

18. Clarify language that yard employees cannot book rest past their regular assignment if they have eight hours rest between assignments, including call.
- Purpose: Provide clarity regarding the rights of employees and ensure that assignments are covered.

### **Training and Allowances**

19. Eliminate rule for RQ training and other than RQ training and establish a new training article that includes the following:
- Hourly rate of pay
  - Provision for employees to hold in their turn if training is not held during their off duty hours.
  - Lump sum payment for employees doing on-line training.
- Purpose: Simplify training article and facilitate on-line training.

### **Seniority, Preference of Work & Promotion**

20. Rewrite Trainmen & Engineer rules addressing Preference of Work & Promotion to standardize, simplify and clarify rights and obligations.
- Purpose: Ensure clarity regarding employee rights and reduce disputes.
21. Modify the Union Security clause to permit permanent managers below the Service Area Manager level to accrue seniority.
- Purpose: Attract talented running trades employees into management positions.
22. Clarify the application or eliminate the provision regarding the requirement to provide a ten day notice of layoff.
- Purpose: Clarify or eliminate the ten day notice of layoff to reduce disputes.

### **Guarantees**

23. Modify the rules for the Trainmen Spareboard guarantee as follows:
- establish a bi-weekly guarantee,
  - one penalty to result in loss of the bi-weekly guarantee,
  - all earnings to be applied against the guarantee.
- Purpose: Simplify the administration of the guarantee and better ensure availability.

### **Benefits**

24. Modify Dental and Extended Health programs to include a 10% co-pay component.
- Purpose: Manage escalating benefit costs.
25. Update provisions in Extended Health program which allow the Company to review and determine if CPR will provide services that have been de-listed by the Provincial Governments.
- Purpose: Manage benefit costs in a proactive manner.

**Leaves, General Holidays, Annual Vacation & Allowances**

26. Modify the rules for Annual Vacation (AV) as follows:

- limit the awarding of AV slots to a maximum of one half of an employee's annual allotment between June 15 and September 1,
- provide that bids for employees' preferred dates be received no later than December 1<sup>st</sup> so that AV may be allotted throughout the entire calendar year.
- Purpose: Provide summer AV to a greater number of employees while, at the same time, be able to match AV to business requirements over the year.

27. Modify the pay provisions for the following articles so that each day of pay is the equivalent of an established daily rate: Bereavement Leave, General Holiday, Attending Court, Jury Duty, Held off on Company Business (including Health & Safety Representatives), Special Services. Daily rate to be based upon an employees' previous year's earnings.

- Purpose: Simplify the pay system and reduce disputes.

28. Modify the provisions when Trainmen are held in to protect Locomotive Engineer work so that they would be paid their established daily rate or what they earned, whichever is greater, for each day held in.

- Purpose: Simplify the pay system and reduce disputes.

**Labour-Management Relations**

29. Modify the Material Change rule as follows:

- unless mutually agreed, a change will be implemented on the date specified in the notice,
- outstanding disputes will be referred to CROA,
- and standardize the rule so that the provision can be used to relocate main home terminals (if required) in all agreements.
- Purpose: Ease the implementation of material change and standardize the rules.

30. Modify the Local Rule provision so that all Local Rules must be signed by the applicable General Chairmen and the Director, Labour Relations.

- Purpose: Ensure that all Local Rules are codified and maintained centrally.

31. Add a new rule to the Grievance Procedure specifying that any grievance not docketed for arbitration within 2 years of filing will be considered withdrawn.

- Purpose: Ensure timely handling of grievances.

32. Modify the Investigation & Discipline article as follows:

- Increase the amount that can be issued through an Admission of Responsibility (AoR) to 20 demerits
- Add a new provision to handle investigations relating to discrimination and harassment.
- Purpose: To expand the scope of an AoR in order to reduce the number of investigations. Address confidentiality issues when dealing with sensitive investigations.

### **Local Issues**

33. Sparwood agreement - Modify agreement to reduce costs.

- Purpose: Simplify the crewing operations at Sparwood and reduce costs.

34. Home terminals: Make Minnedosa an outpost to Brandon. Regina an outpost of Moose Jaw. Bredenbury an outpost of Wynyard.

- Purpose: Ease the movement of crews between these locations recognizing a number of current local practices.

### **General/Administrative**

35. Eliminate provisions, letters and appendices that no longer have application.

- Purpose: Simplify the collective agreement.

36. Standardize the language in the consolidated collective agreement where application is similar.

- Purpose: Simplify the collective agreement.

37. Include gender neutral language in the collective agreement.

- Purpose: Bring the collective agreement up to date with current hiring needs and in recognition of requirements in Human Rights legislation.

38. Modify provision that when an employee is dismissed or resigns they shall be paid on the next bi-weekly pay, instead of five days after they resign.

- Purpose: Reduce administration.

39. Eliminate the requirement to have locomotive cabs on runthrough trains to be cleaned by shop staff. Crews to maintain cleanliness of cabs.

- Purpose: Facilitate the movement of runthrough trains.