



**CANADIAN  
PACIFIC  
RAILWAY**

**Jason Copping**  
*Director*  
*Labour Relations*

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September 9, 2006

Mr. D. Able  
General Chairman- Engineers West  
Teamsters Canada Rail Conference  
101-10820 24 Street SE  
Calgary AB T2Z 4C9

Mr. D. Finnson  
General Chairman- Trainmen West  
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Mr. T. Beaver  
General Chairman- Engineers East  
Teamsters Canada Rail Conference  
173 Simcoe Street N  
Oshawa ON L1G4S8

Mr. D. Genereux  
General Chairman- Trainmen East  
Teamsters Canada Rail Conference  
55 Annonciation  
Oka PQ J0N1E0

**Re: Cancellation of the practice paying mileage differences on TCS  
Runarounds**

Dear Sirs;

Further to my previous correspondence on this issue, this shall reaffirm the Company's notice that effective the expiration of the current contract, the Company will cease the practice of paying a penalty payment to a crew called in Turnaround Combination Service (TCS) that runs around a straight-away crew at the away-from-home-terminal (AFHT).

As you may be aware, a decision was made based on past practice to pay crews called in TCS who improperly runs around a straight-away crew at the AFHT the difference between the amount of miles claimed for deadheading while in TCS and 100 miles (a straight-away deadhead) regardless of whether or not the crew was on duty more than 12 hours.

Recognizing the complexity of the current TCS rules, although the Company will continue to attempt to run crews first-in, first-out at the AFHT, effective the expiration of the contract, in circumstances where, unfortunately a TCS crew runs ahead of a straight-away crew, the practice of paying the above mentioned penalty payment will cease and the TCS crew will be paid pursuant to the terms of the collective agreement.

Sincerely,

J.C. Copping  
Director, Labour Relations

Cc: Doug McFarlane, AVP- Operations West  
Scott MacDonald, AVP – Operations Central  
Guido Deciccio, AVP – Operations East