



Teamsters Canada Rail Conference

General Committees of Adjustment
Canadian Pacific Railway
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Dave Able
General Chairman
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Dave Olson
General Chairman
Conductors, Trainmen & Yardmen

1900.34

Without Prejudice

September 25, 2008

Mr. Doug McFarlane
AVP Operations Central
Canadian Pacific Railway
401 - 9th Avenue SW
Calgary, AB T2P 4Z4

Mr. Scott MacDonald
AVP Operations West
Canadian Pacific Railway
501 Marquette Avenue
Minneapolis MN 55402

Dear Sirs,

This office acknowledges receipt of your letter of September 19, 2008 informing the union of your "intent to establish Expedited Service Runs (ESR), over subdivisions between the terminals of Medicine Hat and Moose Jaw and between the terminals of Moose Jaw and Brandon." The Union does not concede that all your proposed changes are matters to be dealt with under our respective Material Change Articles.

In the last round of collective bargaining the Company attempted unsuccessfully to create an ESR provision for inclusion into the Collective Agreements. In addition, the method of train operation desired by the Company is covered by letters in our respective Collective Agreements under reference of Interdivisional runs (IDR) and as such we reject outright any reference to ESR.

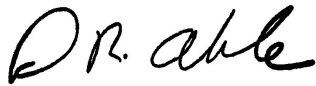
The Company also attempted to achieve a 12 hour day for our Members in several of your bargaining proposals. The fact that there were no 12 hour provisions contained in our Memorandum of Settlement was a major consideration for our Members when they narrowly ratified the agreement. The Union would not entertain 12 hour provisions during collective bargaining and once again reject outright that our rest provisions or hours on duty are a subject to material change provisions.

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It is clearly established in arbitral jurisprudence the Company cannot serve a material change to circumvent what they were unable to achieve at collective bargaining.

This letter is not a full explanation of our position in this matter and we reserve the right to change or expand our position as required. As always in the interest of harmonious relations this office is willing to meet with you on a without prejudice or precedent basis to discuss this matter should you so desire.

Respectfully,



Dave Able
General Chairman

Respectfully,



Dave Olson
General Chairman