

AGREEMENT

BETWEEN:

TEAMSTERS CANADA RAIL CONFERENCE

-and-

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
SYSTEM COUNCIL NO. 11**

("Unions")

-and-

CANADIAN PACIFIC RAILWAY COMPANY

("Company")

WHEREAS Canadian Pacific Railway Company (the "Company") introduced a Revised Canadian Pacific Substance Testing Policy (Canada) (hereinafter the "Revised Policy") on April 10, 2008;

AND WHEREAS the Teamsters Canada Rail Conference (on behalf of Conductors, Trainmen, Yardmen Locomotive Engineers and Rail Traffic Controllers employed by the Company) and the International Brotherhood of Electrical Workers System Council No. 11 (collectively, the "Unions") held meetings with representatives of the Company to obtain further clarification of this Revised Policy;

AND WHEREAS the Unions' policy grievance was referred to Arbitration before Arbitrator Michel G. Picher;

AND WHEREAS the Unions and the Company wish to resolve the Unions' grievance by agreeing to the following clarifications and principles which shall be incorporated into the Revised Policy by the Company;

AND THEREFORE the Unions and Company agree as follows:

1. The parties agree and understand that Item 8 of the Revised Policy with respect to Post-Accident/Post-Incident testing shall incorporate the following terms:
 - a. The Company will not make any request for any employee to submit to post-accident/post-incident substance and/or alcohol screening testing (hereinafter "substance screening testing") whatsoever unless the circumstances give rise to just and reasonable cause warranting such request.
 - b. All requests for a post-accident/post-incident test must be made as soon as reasonably practicable.
 - c. It is the expectation where the Company has requested that an employee submit to a substance screening test that such testing will be performed within four (4) hours of the request made to the employee, understanding that the contractor (DriverCheck) will be contacted immediately following the employee's consent to a test. Only in exceptional circumstances that cause unavoidable delay will a test be performed later than Four hours from the Company's request to DriverCheck. In no circumstances shall an employee be required to submit to the test after six (6) hours from the Company's request.
 - d. While employees are waiting to submit to a test (as contemplated in 1(c) above), employees will be treated with dignity and in a courteous manner. At minimum this includes providing employees access to reasonable amounts of hydration, private washroom breaks, food, and telephone calls as needed. The employees can leave the immediate location and walk outside (for example) and the supervisor will want to accompany them. The Company's intention is to avoid employee behaviour that will invalidate the requested test.
2. The parties agree that the time limits addressed in 1(c) above also apply to For Cause Substance testing set out in Item 7 of the Revised Policy.

3. The Company agrees that any and all testing under Item 8 of the Revised Policy shall be conducted in accordance with the process and timelines set out in the Revised Policy. As an interpretive aid for the clarification of the process and timelines under the Revised Policy, the parties refer to the flowchart attached as Appendix A to this Agreement. It is understood that in the event of a discrepancy between the flowchart and Revised Policy, the Revised Policy governs.

4. The Company shall re-implement and further communicate its Revised Policy in a manner consistent with the requirements set out in *Lumber and Sawmill Workers Union Local 2537 and the KVP Co. Ltd. (1965)*, 16 L.A.C. 73. Specifically, in order to re-implement the Revised Policy the Company shall:
 - a. Issue bulletins in every Canadian terminal where employees report to work, alerting all employees to the revised Policy and advising where employees can obtain a copy of the Revised policy and related materials.

 - b. In respect of the bulletins in paragraph 3 (a), the Company shall:
 - i. Ensure that the bulletins specifically advise employees of the specific consequences of refusing a test, of providing a non-negative test, and of a positive result under the Revised Policy. The Company shall specify the range of the consequences, from accommodation under the *Canadian Human Rights Act* to the assessment of discipline and discharge;

 - ii. Ensure that the bulletins advise employees as to the process for resolving any disputes arising from the application and implementation of the Revised Policy. This process will involve direct discussions between the Unions' General Chairperson or equivalent, the appropriate Company AVP and the Chief Medical Officer;

- iii. Ensure that contact information within the OHS Department is provided where employees can obtain ongoing clarification and answers to any policy questions they might have.
 - c. Post copies of the Revised Policy, Quick Tips, Q&A's and flowchart of process in every Canadian terminal;
5. As of the date of this agreement and until such time addressed in item 6 below, the Parties agree and understand that the Company will not require or request that employees be subject to any method(s) of testing other than those specifically set out under section 5 of the Revised Policy (i.e., "breath for alcohol and urine for drugs").
6. In the event that the Company should seek, in the future, to utilize any method(s) of testing other than those specifically set out under section 5 of the Revised Policy, the Company shall provide the Unions reasonable advance notice of its intended use of such additional method(s) of testing along with details as to the anticipated application(s) of such method(s) of testing and the standards (including cut-off concentrations) that will govern the use of such method(s) of testing.
7. The Company confirms that the cut-off concentrations established for the purposes of the Revised Policy are those cut-off concentrations set out as Subpart 40.87 of the United States' Department of Transportation regulations set out under Title 49: Part 40 Procedures for Transportation Workplace Drug and Alcohol Testing Programs (current as of February 25, 2010) and 0.04 for breath alcohol concentration cut off levels. The Company shall advise the Unions and employees of any changes in the concentration cut off levels under its Revised Policy. The Unions reserve the right to grieve any changes in the cut-off concentrations under the Revised Policy, in the event the Company introduces any such changes.

8. Any employee who is held out of service further to a request for a substance test under the Revised Policy shall be paid for his/her time held out of service in accordance with applicable terms of the Collective Agreement that applies to the employee.
9. The Company confirms that bodily fluid sample(s) provided by employees at the Company's request for a test under the Revised Policy shall be retained as set out in Subpart 40.99 of the United States' Department of Transportation regulations set out under Title 49: Part 40 Procedures for Transportation Workplace Drug and Alcohol Testing Programs. Unless a request for an exception is made under the DOT regulations, no bodily fluid samples will be retained for longer than one year (note: if a request is made for an exception by the Company, the employee will be notified of such request). In the event that the results of a substance test are negative (i.e., below the applicable cut-off concentrations), then the bodily fluid sample(s) provided for this test shall be immediately destroyed and discarded. For clarity, in the case of urine drug test, the initial result will be either "negative" or "non-negative." In the case of a "non-negative", further testing and examination will be performed to obtain a final "negative" or "positive" result.
10. The Company confirms that no bodily fluid sample(s) provided by employees at the Company's request for a test under the Revised policy shall be used for any other purpose whatsoever except for the specific testing identified at the time of the request for a substance screening test.
11. The Company confirms that in the event of a positive test result, the employee may request another test of the split sample be undertaken. This split sample test will be performed at another properly certified lab and will be at the Company's expense.
12. The company confirms that the quantitative results or drug substance type of any and all substance screening tests taken under the Revised Policy shall be

provided exclusively to the Company's Occupational Health Services (OHS) department. The Company further confirms that at no point will any Company supervisors be provided the quantitative results or drug substance type of a substance screening test conducted under the Revised Policy, other than whether the test is "negative" or "non-negative" in respect of the applicable cut-off concentrations under the Revised Policy either "negative" or "positive" with regard to a breath alcohol test.

13. The Company confirms that, should an employee be asked to attend a formal statement (i.e. investigation) further to any issue arising under the Revised Policy, under no circumstances will the Investigating Officer inquire as to the specific or quantitative results or drug substance type of any substance screening test conducted under the Revised Policy (other than "negative", "positive" or "non-negative"). Further, the Investigating Officer shall not require any explanation by any employee as to the quantitative results or drug substance type of any substance screening test conducted under the Revised Policy. However, in the event that such a question, or a question of equivalent consequence is advanced to an employee, the employee may refuse to answer without any consequence or adverse inference whatsoever.
14. In no way does this Agreement represent any unconditional endorsement, agreement with or acceptance of the Company's Revised Policy to the prejudice of the Unions. This Agreement is intended for the sole purpose of clarifying certain aspects of the Company's Revised Policy.
15. This Agreement resolves the Unions' policy grievance on a without prejudice basis in respect of any positions and/or grievances that either of the Unions may take with respect to matters arising under the Revised Policy or any other policy, discipline or action of the Company whatsoever.
16. In the event of a dispute or disagreement arising from the application, interpretation or enforcement of this Agreement, such dispute may be referred to

Arbitration by either Union or the Company in accordance with the Collective Agreement. Policy, group, or individual grievances related to the Revised Policy may be initiated by the Union(s) at the final step of the Grievance Procedure.

DATED at Calgary on this 16th day of June, 2010.

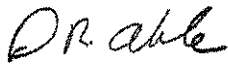
FOR THE UNIONS:



Chair RTC



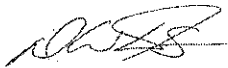
General Chair LE East



General Chair LE West

Daniel Généreux

General Chair CTY East



General Chair CTY West

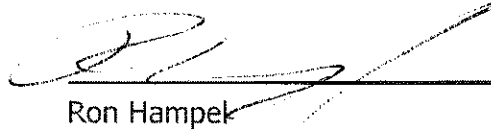


IBEW Senior General Chair

FOR THE COMPANY:



Alia Azim Garcia



Ron Hampel