



**CANADIAN
PACIFIC
RAILWAY**

June 24th, 2010

Mr. Les Daley
Local Chairman
Locomotive Engineers

Mr. John Kiengersky
Local Chairman
Conductors Comm. A

Mr. Wally Thacker
Local Chairman
Conductors Comm. B

Dear Sirs:

This letter is in response to your joint grievance dated June 21st, 2010 pertaining to the 60 day cancellation notice given by the Company with respect both the LE's and Conductor's Local Rule 6, paragraph C, pertaining to Rest After Annual Vacation.

The Union has contended that the Company has acted in "bad faith" by serving this notice, stating that the local rules for rest after a/v is clearly covered in item 7 of Appendix 37 of the MOS dated December 5th, 2007. Appendix 7 reads as follows:

7) Locations that presently have local rules that provide for rest beyond 24 hours will continue to maintain this rest provision for the duration of this agreement, except that if there is a concerted use of the local rest rule to initiate any type of illegal work action as determined by a third party, such as the CIRB. In such instances, the extended rest rule will be immediately cancelled at that location.

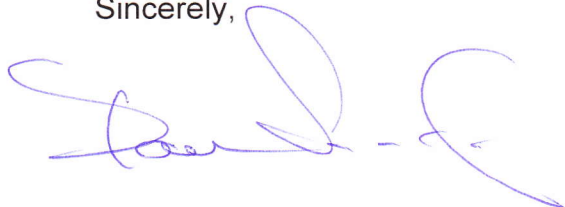
The above MOS reference pertains to local rules that provide for rest beyond 24 hours, which is the maximum amount of rest that RTE's can book at the Home Terminal when completing a tour of duty, nothing more. This language does not specify the unique arrangement of extra rest after AV. As a matter of fact, the Revelstoke Terminal is the only terminal on the entire Canadian Pacific railway that has a local rule to allow for rest beyond 8 hours (let alone 24 hours) when returning from annual vacation. The intent behind Appendix 37 was to address rest booked between trips, not rest after annual vacation.

You have also suggested that the Company has not followed the process outlined in Appendix 37 regarding rule cancellations. To be clear, this cancellation was not part of a local rules review, as outlined in Appendix 37. This cancellation is completely exclusive of the language in Appendix 37. Finally, Appendix 37 does not prevent the parties from modifying or cancelling local rules outside of the local rules review process.

Finally, to address your point that the local rest after a/v rule was put in place as a fatigue management tool so that RTE's accustomed to normal sleep patterns while on a/v would not be subject to a midnight shift immediately upon their return, nor would they be forced to obtain proper rest during the afternoon of their final day of vacation in order to be prepared for a midnight shift, has been addressed on a national level through a national local rule. RTE's are now permitted to book 0400k rest for a 0600k call immediately upon returning from a/v. This national agreement has been agreed to by both the Company and the TCRC General Chairmen, and this provision is now in effect.

For the above mentioned reasons, your grievance pertaining to rest after a/v is respectfully denied.

Sincerely,



D.C. Sewell
Service Area Manager
B.C. Interior - FOps
Revelstoke, B.C.