



May 2, 2016

Greg Edwards
General Chair LE West
101-10820 24th Street SE
Calgary, AB
JOR 1R3

Dave Fulton
General Chair CTY West
101-1820 24th Street SE
Calgary, AB
JOR 1R3

VIA EMAIL

Re: Kamloops, BC - Golden, BC - Material Change Notice

Dear Sirs:

In accordance with Article 34 of the Collective Agreement between CP and the TCRC (LE) and Article 72 of the Collective Agreement between CP and the TCRC (CTY) please accept this letter as notice of the Company's intent to implement a material change in working conditions.

- A. It is the Company's intent to operate coal trains in Extended Service Runs (ESR) between Kamloops, BC and Golden, BC without the need to change crews at Revelstoke, BC. This ESR is expected to commence on or about June 20, 2016 and will be specific to coal service only. This date may be amended due to operational requirements and updates will be provided accordingly.
1. Golden, BC will be established as a new home terminal and will protect work Westward to Kamloops.
 2. An East pool will be established in Kamloops and will protect work between Kamloops and Golden.
 3. Crews in this ESR may be operated in straightaway, turnaround or meet and turn service and may be Assigned or Unassigned subject to the needs of service.
 4. Crews in this service may be required to work up to twelve (12) hours a day – in and off duty at place of rest.
 5. This material change is required in order to;
 - Eliminate a crew change point for coal train service and associated expenses;
 - Decrease transit time on the Shuswap, Mountain and Windermere subdivisions by eliminating the train stop to perform a crew change.



6. Currently the operation consists of:
 - Kamloops to Revelstoke – 128 run miles
 - Revelstoke to Golden – 89 run miles
 7. The new ESR operating limits will be:
 - Kamloops to Golden –218 run miles (includes the mileage to operate through Revelstoke)
 8. The method of pay for this ESR shall be:
 - a) Fixed Mileage of 244 miles.
 9. A map of the current ESR is attached for your reference. (Tab 1)
 10. A list of employees currently working between these locations is included with this notice for your information. (Tab 2)
 11. It is not anticipated that there will be any adverse effects relating to layoffs within the bargaining unit as a direct result of the implementation of this operation. A proposed agreement is attached at Tab 3.
- B. In accordance with item 7 of the December 7, 2015 Adams award the timelines for this material change are as follows:
1. Negotiations to begin within 20 days of the date of this notice.
 - The Company is available to meet May 3, 2016 through any day up to and including May 23, 2016 at CP Headquarters in Calgary, AB.
 2. Board of Review to meet within 50 days of the date of this notice.
 - The Company is available for the Board of Review the week of June 21, 2016 at CP Headquarters in Calgary, AB if negotiations do not result in a mutual agreement.
 - Subject to confirmation, Mark Redd and Jason Ross may be the Company's representatives at the Board of Review.
 - If the Union is unavailable to meet within this required timeframe, the Company will proceed to Arbitration on or about July 26, 2016.
 - Alternatively, if the Union is available, the Board of Review is to make its findings and recommendations by July 11, 2016.
 3. August 11, 2016 - Arbitration hearing to be held by CROA arbitrator.

- The Company has confirmed that recently appointed CROA Arbitrator Richard Hornung is a CROA Arbitrator available to hear the matters within the time limits prescribed by Honorable Adams, should the need arise.
- Arbitrator Hornung has available dates on August 23, 24 and 25, 2016 to hear the matter.
- The Company is also willing to explore other Ad Hoc Arbitrators if need be in order to meet these timelines.

Please advise of your availability on the dates provided.

Sincerely,



Chris Clark (*for*)
Brian Scudds
Assistant Director Labour Relations

CC: Guido Deciccio
Myron Becker
Mark Redd
Mike Foran
Edward Steinbeck
Jason M. Ross
Dave Guerin