Southern Ontario Service Area Field Operations Service Area Manager 2025 McCowan Road Fax (416) 321-7814 GYO Building, 1st Floor Scarborough Ontario M1S 5K3

December 1, 2003

Your file: 416-480

416-481 416-505

Our file: ZGA0028

ZAI0021 NA

Dear Sir,

This letter is with regard to the grievance files noted above and our ongoing discussions of the proper application of 9A,2,(b) of the Collective Agreement, as it pertains to the Toronto Terminal operation, in general.

Without prejudice to either party's position and pursuant to Appendix B-45 of the Collective Agreement it was agreed Local officers of the Company and Union would meet for the purpose of addressing the unique operating conditions within the Toronto Terminal.

Accordingly, the parties agreed the following application Article 9A,2,(b) will be applied as it pertains to Toronto terminal identified herein.

Employees may claim, as follows,

2 CT's may be permissible in the terminal.

- If the first CT is generated in "Toronto Yard", then the crew can only make one other stop within the Toronto Terminal.

If there is no CT generated in "Toronto Yard" the crew can lift @ any two locations within the Toronto Terminal,

Example 1

Power exits off the shop; crew is requested to lift 5 cars from A9 onto train in A10. After completing their lift, the crew may only make one additional lift within terminal.

Example 2

Power exits off shop; ties onto train and departs. No CT is generated. Therefore, this crew can lift at two other locations within the terminal.

Payment:

A CT may be claimed separately (max. 2) or all time so occupied which ever is the greatest.

Payment continues to be on the minute basis from the beginning of the switching movement until the train is ready to depart, with the minimum payment of 1 hour per claim.

Running time from one location to another within the Terminal limits, or waiting time due to blockage or operating conditions, will not be prorated out of the total CT claim.

I trust that this appropriately reflects our understanding. Of course, this resolve is on a without precedent or prejudice basis, and is a full and final resolve to the grievance identified herein.

This Agreement can be amended, revised or cancelled by either party upon thirty days written notice.

Upon your concurrence, please sign in the appropriate space below and return one copy for our records.

G.S. Nelson

Manager, Road Operations

for/

C.D. Carroll

Service Area Manager

I concur,

B. Hiller

Local Chairman

Local 416, CCROU-UTU(East)