



**CANADIAN
PACIFIC**

R.E. Wilson
*Assistant Vice-President
Industrial Relations*

Suite 600
Gulf Canada Square
401 – 9th Avenue S.W
Calgary Alberta
T2P 4Z4

Tel (403) 319-6999
Fax (403) 319-7028
rick_wilson@cpr.ca

Mr. T. Beaver
General Chairman- Engineers East
Teamsters Canada Rail Conference
173 Simcoe Street N
Oshawa ON L1G4S8

Mr. D. Genereux
General Chairman- Trainmen East
Teamsters Canada Rail Conference
55 Annonciation
Oka PQ J0N1E0

Dear Sirs:

This refers to our recent discussions on employees booking sick.

The parties agree that effective October 1, 2007, on the Northern Ontario Service Area (NOSA), the Southern Ontario Service Area (SOSA) and the Montreal Service Area (MSA) that a pilot project will be conducted to determine the locations and circumstances surrounding the times when an employee books sick, and the underlying reason surrounding their inability to present themselves for work is related to fatigue or some other similar reason that is not strictly defined as being “sick”.

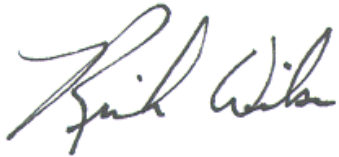
The purpose of this pilot project is to recognize there may be times when an employee is not fit to report to work and may not be defined as being “sick” under the current parameters. It is also meant to identify and measure operating circumstances that may be contributing directly or indirectly to employee fatigue, and also provide the opportunity for the Company and Union to take corrective measures should it be possible.

Understanding there is no “unfit” clause for employees to rely upon in these circumstances, it was agreed that if the employee is indeed not fit to work that they must either obtain a leave of absence or book “sick”. When this takes place, the employee is obligated to explain that their absence is related to the fact they are fatigued and this is essentially the reason for the absence. The employee has an obligation to explain the circumstances of why they are fatigued. The employee will not be disciplined for “booking sick when not sick”, and each of these occasions will be listed and tracked. Such absences will, however, impact upon guarantees and MBRs. The purpose of this tracking is to identify if there are operational reasons contributing to the fatigue, and to identify as many of the details as possible so that these factors are known and identified.

If this becomes a chronic situation with an individual employee, overly repetitive, or if the Company feels this feature is being abused by an individual employee. The local manager will advance all of the facts to the Assistant Vice President of Operations and the relevant General Chair of the Union, who will review and discuss them and deal with the situation. Consequences of abuse could include removal of that particular employee from this Pilot Project. The Assistant Vice President and the General Chair will meet as required to review the associated

records of when and where this feature is being used. If there is an operational practice that is contributing to the employees' fatigue and resulting absence then they will attempt to rectify the situation.

This is done without precedent or prejudice to either party and it may be cancelled by either party upon 30 day written notification.



Rick Wilson
Assistant Vice-President
Labour Relations

I concur:

Tim Beaver
General Chairman

Daniel Genereux
General Chairman

cc: Guido Deciccio
Jason Copping
Ron Hampel
Doug Finnsen



**CANADIAN
PACIFIC**

OFFICIAL SUPPORTER