



**CANADIAN
PACIFIC
RAILWAY**

Operations

3 Manitoba Street West
Moose Jaw Saskatchewan
S6H 1P8

December 17, 2001

File: HL0098

Mr. J.S. Gudmundson
Local Chairman
CCROU - BLE Division 510
8 Gemstone Place
Emerald Park, Saskatchewan
S4L 1A9

Dear Sir:

This letter is with respect to your recent conversation with Road Manager Rich Birkett concerning the commuting allowances which are allowed and attached to the Home Terminal Agreement between the Brotherhood of Locomotive Engineers and the Company.

As you were made aware, our Field Operations/Transportation budget is experiencing a year to date over-run relating to transportation costs for the Service Area at \$258,000.00, we require that we reduce these costs especially in areas that are not provided for by the Collective Agreement.

Furthermore it was agreed that the commuting allowances which were allowed has had a negative effect on the intent of the Home Terminal Agreement.


As agreed please regard this letter as notice that effective January 1, 2002 the letter of understanding between CP Rail and the Brotherhood of Locomotive Engineers concerning Commuting Allowances signed April 28th 1999 is cancelled.

It is also mutually understood that this cancellation letter will not cancel the Home Terminal Promotion Agreement dated February 3rd, 1992.

It is further understood that travelling expenses of \$12.50 will be expensed to those employees forced and paid daily under this agreement.

Would you please acknowledge your concurrence of this understanding at your earliest convenience.

Yours Truly,


J.D. Huxtable
Marfager Operations Yard
Saskatchewan Service Area

I concur _____

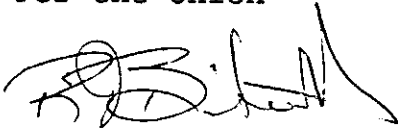
Mr. J.S. Gudmundson
Local Chairman, CCROU (BLE)
Moose Jaw, Saskatchewan

LETTER OF UNDERSTANDING
BETWEEN CP RAIL AND THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS
DIVISION 510
"COMMUTING ALLOWANCES"

- 1) Locomotive Engineers required (forced) to fill a vacancy in Regina will be allowed to claim the sum of \$25.00 for a return trip between Moose Jaw and Regina on a daily basis.
- 2) Locomotive Engineers who elect (not forced) to work in Regina will be allowed to claim a commuting allowance of \$12.50 per day for a return trip between Moose Jaw and Regina.
- 3) This agreement may be cancelled by either party upon sixty (60) days written notice before the next General Change of Assignment.
- 4) Cancellation of this agreement will also cancel the Home Terminal Promotion Agreement signed February 3, 1992.

Signed this 28th day of April, 1999.

For the Union



R.J. Birkett
Local Chairman
B of L.E.

For the Company



G.E. Johnson
Manager of Yard Operations
Canadian Pacific Railway