



Teamsters Canada Rail Conference

General Committees of Adjustment
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Brothers and Sisters;

Below are additional Questions and Answers regarding the revised Memorandum of Settlement.

- Q. *How many employees across the system will be able to retire by the end of 2011?*
- A. Between 2008 and 2011, about 998 employees will be eligible to retire and 560 of these are expected to do so.
- Q. *How many new hires does C P Rail plan on hiring by the end of 2011?*
- A. We have been informed that hiring will keep pace with the retiring workforce with adjustments made for traffic volumes.
- Q. *How much in wages will the new hires lose with the removal of the Length of Train and Length of Run Allowances?*
- A. New hires working the Yard have never received length of run or length of train. Also any newly-hired road employee, who is making a spareboard guarantee, would have to use any length of run or train length against that guarantee. Therefore most new hires would not receive any length of train or length of run for a certain period of time, and that length of time depends on the turnover of manpower at each individual terminal.
- Q. *How much have the new employees hired in year 2006 and year 2007 earned from length of train and length of run?*
- A. In 2007, the 404 employees hired in 2006 and 2007, earned approximately \$221,000.00 in Length of Train and Length of Run premiums, which averages to \$547.03 per 2006/2007 new hire.

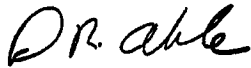
- Q. *How much is the pension income increase for all employees?*
- A. Using today's yearly maximum pensionable earnings, the increase for every current and future employee is approx \$1200.00 per year, which will increase as the YMPE increases.
- Q. *Will members not paying dues because they are off sick receive a ballot?*
- A. Yes, and if they do not they should contact their Local Chair for handling.
- Q. *Does the amount you receive for AV in the preceding year go into the calculation of gross wages for the following year for the purpose of calculating AV rates?*
- A. Yes, the previous year's AV is included in the calculation of current year AV amounts.
- Q. *How will our PIP plan fit in with the other PIP plans in other bargaining units that are within the Company?*
- A. Our plan will be specific to our crafts and it may or may not fit with other plans - it will be unique to our needs.
- Q. *What is in it for the Company, in offering this PIP Plan to us?*
- A. The company agreed to the PIP as a way to increase earnings for our members, with the availability to earn up to 5% of eligible wages. The plan will distribute savings, percentage-wise in a 60/40 split between the company and the employees, and any savings, such as reduction in CRVs, is beneficial to both the Company and our members.
- Q. *Will the goals be attainable?*
- A. It is only beneficial to our members if the goals set are attainable. The goals set in the RCTC bargaining unit have allowed for a payout, and we will be involved in setting levels that are realistic for our members.
- Q. *How will the PIP plan be structured?*
- A. As outlined in Appendix Letter 2, Safety, Service, Productivity and Financial objectives may be established with set targets and associated payouts
- Q. *Who will oversee our PIP plan?*
- A. The Four General Chairman or their designates.

- Q. *The PIP plan that was provided as reference is for the RTCs, who are only located in one office in Calgary, and our members are spread from Thunder Bay to Vancouver. Who will oversee the performance of our members in the PIP plan?*
- A. The RTC does not only have an office in Calgary but one in Montreal as well. While our members extend from Montreal to Vancouver, the task of tracking information will be the responsibility of the PIP oversight committee, which will consist of the four GC's, or their designates, who will oversee the operation of the plan.
- Q. *Is the objective for our PIP Plan to be configured like the RTC Plan?*
- A. The PIP plan will be configured specific to our crafts. The RTC plan was distributed for information purposes only, to give our members an idea of how a PIP Plan is structured and how it operates.
- Q. *What are some of the objectives that can be used in our PIP Plan?*
- A. In our last Question and Answer document, regarding the PIP, we requested that the Local Chairmen discuss this issue with their members and provide this office with constructive and positive ideas to shape the PIP specific to our crafts. We continue to look to, and invite members to provide, input to their Local Chairs on this issue.
- Q. *Do you see our PIP Plan being comprised of Personal Objectives?*
- A. Yes, one example could be Safety.
- Q. *Will our PIP Plan contain Core Values as an objective that could be used for evaluation?*
- A. There is a possibility they could be included. Examples such as Integrity, Trust and Respect have been used in other Plans as part of the evaluation process.
- Q. *It was stated in the Q and A dated January 9, 2008 that the Union had received information that the 1% lump-sum payment to the MWED employees was diverted from the Maintenance of Way employment security fund. From where was this information received?*
- A. Appendix P of the MWED Memorandum of Settlement dated June 6, 2007.

Q. *What will be changed in the benefit booklet?*

A. We will be consulting with our benefit advisors. There may be changes, as noted in the benefits letter referenced in the MOS document. Some of the changes may include updating and modernizing the language of the plan. A further change, as noted in Appendix 3, is the establishment of the Union Management Committee to resolve problems that may surface in the benefit plan.

Fraternally,



General Chairman



General Chairman