



**CANADIAN
PACIFIC
RAILWAY**

Jason Copping
*Director
Labour Relations*

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401-9th Avenue S.W.
Calgary, Alberta
T2P 4Z4

September 9, 2006

Mr. D. Able
General Chairman- Engineers West
Teamsters Canada Rail Conference
101-10820 24 Street SE
Calgary AB T2Z 4C9

Mr. D. Finnson
General Chairman- Trainmen West
Teamsters Canada Rail Conference
101-10820 24 Street SE
Calgary AB T2Z 4C9

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

Re: Familiarization Training of Employees

Dear Sirs,

Please be advised that effective the expiration of the current contract, the Company will no longer continue the practice of allowing employees unlimited trips to undertake familiarization training at the Company's expense when transferring or after being forced to a new terminal.

The Company will continue to provide familiarization as provided in the respective collective agreements, however it will limit the amount of trips employees can make at the Company's expense under the terms of the collective agreement.

In this regard, the Company intends to abide by the provisions of Article 30.10 (4) TCRC (E)(E), 30.19 (4) TCRC (E)(W), 38.20 (4) TCRC (T)(W), 38.21(4) TCRC (T)(E) and compensate employees for those familiarization trips determined by the Local Company officer and TCRC representatives.

Employee who require familiarization in excess of what is provided under the Collective Agreement, will be required to undertake such familiarization at their own expense, unless there are extenuating circumstances based on local conditions and approved by local management.

Sincerely,

J.C. Copping
Director, Labour Relations

Cc: Doug McFarlane, AVP- Operations West
Scott MacDonald, AVP – Operations Central
Guido Deciccio, AVP – Operations East