

**LETTER OF UNDERSTANDING ON HANDLING CN TRAINS BY CP CREWS
IN THE VANCOUVER TERMINAL**

December 10, 2004

To come to a proper and clear understanding TCRC Division 320 and CP Rail VSA concur on the following pay issues:

Issue

CN run though trains; CN locomotives are returned to CN on the BN interchange at CN Vancouver Yard or Sapperton and while enroute in the Terminal the train is set off at any location the following will apply:

#1 - Train from Cascade Sub, sets off train at Coquitlam or Port Moody and required to take units to BN Interchange, a CT would be claimed for the Port Moody/Coquitlam set off. (BN Interchange is the track off the CP Vancouver Yard Country Lead that connects to CN Vancouver Yard).

#2 - Cascade sub train is set off west of Port Moody and power is returned to BN interchange; NO CT claim will be allowed.

#3 - Cascade Sub CN train is yarded anywhere Coquitlam or west on the Cascade sub. e.g. Port Moody or Vancouver and CN power is taken to CP Sapperton, a CT claim will be allowed for the set off of the train.

#4: If crews are required to take the CN locomotive into the CN Vancouver yard (other than BN Interchange) an EC claim will be allowed.

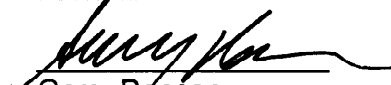
In all cases if the CN Power is returned to Coquitlam or left at the point the train is yarded NO CT claims will be allowed.

CREWS making these claims MUST indicate the location the train was left, the location the power was left, date, and time of the claim. Claims made without this information will NOT be paid.


With concurrence of all parties we agree to the contents of Bulletin "OPR BUL BCO-255/04 CN/CP Reciprocating Train Exchange Expansion to include CP Neptune Coal Trains".

Without precedent or prejudice,
Either party can cancel this agreement at anytime.

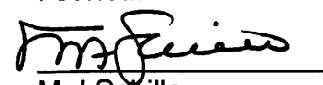
I concur


Gerry Ranson
TCRC/320 - L.E.

I concur


Ray Hnatiuk
TCRC 320 C/T

I concur


Mel Schille
CPR VSA-SAM

12-12-2004