

**Letter of Understanding Regarding Operation of Through Freight Crews  
Directly out of and into Fraser Surrey Docks.**

February 11, 2005

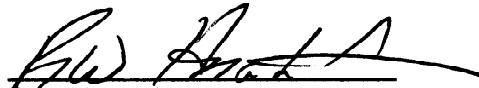
Taking into consideration all past and current agreements and understandings with regards to operating freight crews over external routing and foreign railways, Teamsters Canada Rail Conference Division 320 (TCRC 320) and Canadian Pacific Railway (CPR) enter into this understanding to ensure a more efficient operation of railway traffic into and out of Fraser Surrey Docks (FSD).

Based on previous agreed upon provisions for handling trains into and out of CN Thorton and onto or off of BNSF New Westminster:

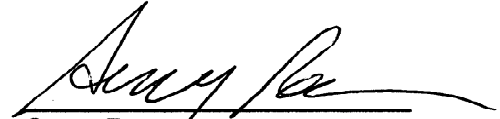
1. **Taxi Coquitlam Yard Office to FSD**, train thru Thorton - Fixed Rate 159 miles (based on Thorton Fixed Rate), plus an EC claim for all time at FSD, minimum pay of three (3) hours. Crews may be required to stop at Thorton yard office to pick up train orders. Initial time will continue until, and DOMTS will be applied when crews arrive at FSD in the taxi. Crews will be considered enroute and EC time will commence upon arrival at FSD and will end when crews depart FSD.
2. **Locomotive from Coquitlam through Sapperton to FSD**, thru Thorton - 175 miles (Sapperton/Thorton Fixed Rate), plus an EC claim, minimum pay of three (3) hours. Initial time will continue until, and DOMTS will be applied when crews leave Sapperton. Crews will be considered enroute after departing Sapperton. EC time will commence upon arrival at FSD and will end when crews depart FSD. Crews may be required to pick up train orders at CN Thorton; this will not be considered as part of the EC claim.
3. In consideration of the many variables involved with movement over two foreign railways (BNSF and CN) and the operations of FSD, and in harmony with the principles of the most recent collective agreement, it is agreed that freight crews who fail to reach their objective terminal, and the crews have not given notice of rest, they will be paid the entire trip, as if they had reached their objective terminal and the NR payment will be applicable to total time on duty.
4. This understanding relaxes the restrictions contained in Articles 37.02 C/T/Y West and 30.09 L.E. West Collective Agreements. Unless already stipulated in this understanding, all other provisions of the Collective Agreements remain in effect.
5. In the situation where this operation is operated in the reverse, westbound trains handled into FSD, the above payment will be applicable

This understanding will remain in effect unless abolished by 30 days notice of either party. The provisions of this understanding may be amended upon agreement of both parties.

On behalf of TCRC Division 320

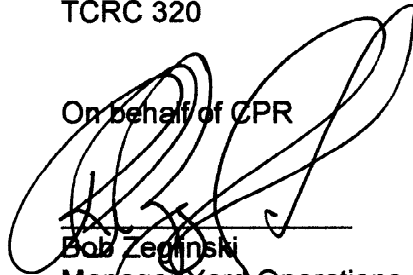


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Local Chairman – C/T/Y  
TCRC 320



Gerry Ranson  
Local Chairman – L.E.  
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On behalf of CPR



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