

MEMORANDUM OF AGREEMENT

Between

CANADIAN PACIFIC

And

TEAMSTERS CANADA RAIL CONFERENCE – Trainpersons and Locomotive Engineers Concerning Expedited Service Runs between Coquitlam, Roberts Bank and Kamloops Terminals

1. SCOPE AND INTENT

The intent of this Agreement is to allow for the operation of trains in Expedited Service Run (ESR) between Coquitlam, Roberts Bank and Kamloops without the need to change crews at North Bend and Boston Bar respectively. The intent is to have ESR crews make it in and off duty within 10 hours.

- 1.1. Trains operated in ESR service are considered to be unassigned freight service, unless otherwise mutually agreed.
- 1.2. For Coquitlam ESR crews, their home terminal will be Coquitlam and their Away-From-Home Terminal will be Kamloops.
- 1.3. For Roberts Bank ESR crews, their home terminal will be Roberts Bank and their Away-From-Home Terminal will be Kamloops.
- 1.4. For Kamloops ESR crews, their home terminal will be Kamloops and their Away-From-Home Terminal will be either Coquitlam or Roberts Bank .For the purposes of this Agreement Coquitlam and Roberts Bank will be recognized as different away-from-home terminals in the application of Item 6.3.
- 1.5. Employees in ESR service will report off duty at the AFHT upon arrival at the rest facility.
- 1.6. Employees will have the opportunity to bid the ESR runs between Coquitlam, Roberts Bank and Kamloops
- 1.7. Unless specifically superseded in this agreement, the provisions of the Collective Agreement will apply
- 1.8. This agreement will apply to the TCRC Trainpersons and Locomotive Engineers of Division 320 (Coquitlam/Roberts Bank) and Division 821 (Kamloops).

2. EFFECTIVE DATE

- 2.1. It is agreed that this agreement will be effective 0001, April 3, 2015 and familiarization will commence anytime thereafter.

3. CALLING PROCEDURES

- 3.1. Jointly determined calling procedures are contained in Appendix D of this Agreement. Any disagreements will be escalated to the Director, Labour Relations and the General Chairmen.

- 3.2. Employees in ESR service will only be called when they have a full 10-hour clock. Such limitations will not be applied to employees in ESR service who are being called to deadhead. Employees will require a full 12-hour clock in order for Appendix B to apply.
- 3.3. Off duty times for crews will be determined when they arrive at the designated rest facility.

4. POOLS

- 4.1. Home terminal ESR pools will be set up in Coquitlam, Roberts Bank and Kamloops.
 - 4.1.1. Kamloops will be set up with separate Coquitlam and Robert’s Bank ESR pools.
- 4.2. The number of ESR crews will be determined by the number of ESR slots included under the ESR initiative and will vary accordingly.
- 4.3. ESR crews will not be called for non-ESR trains.
- 4.4. Pool mileages will be regulated on a weekly basis in accordance with Article 17 (CTY) and Article 33 (LE).

5. MILEAGE EQUALIZATION

- 5.1. Miles will be calculated quarterly to determine if any imbalance exists between the terminals at each end of the ESR. If such an imbalance exists, it will be addressed by adjusting pool sizes to regain balance.
 - 5.1.1. For the purpose of calculating the mileage equalization formula, the actual miles of each subdivision will be used:
 - 5.1.1.1. Cascade Subdivision (Coquitlam to North Bend) – **109.4 miles**
 - 5.1.1.2. Cascade Subdivision (Roberts Bank to North Bend – **133 miles**
 - 5.1.1.3. Thompson Subdivision (Kamloops to North Bend/Boston Bar) – **121.5 miles**

6. COMPENSATION

- 6.1. Unless otherwise provided for in this agreement, compensation will be as per the Dual Method of Pay.
- 6.2. It is agreed that the fixed mileage method of pay will apply on each of the ESRs as referenced in Article 1.18 LE and Article 1.24 CTY. The fixed mileages agreed to for these ESRs are as follows:

ESR Run	Fixed Mileage	Threshold Times
Coquitlam to Kamloops	284 miles	259 minutes
Roberts Bank to Kamloops	294 miles	181 minutes
Kamloops to Coquitlam	285 miles	259 minutes
Kamloops to Roberts Bank	295 miles	181 minutes

- 6.3. ESR crews who are deadheaded from terminal to terminal will be compensated as per Article 24.05 (CTY) and Article 5.02(5) (LE) in the Collective Agreements.
- 6.4. To clarify item 4.1, Roberts Bank & Coquitlam are considered as separate away from home terminals for Kamloops crews for the purposes of this agreement.
- 6.5. ESR crews will be deadheaded by taxi unless highways are closed.

7. HOURS OF SERVICE

- 7.1. Employees operating trains in ESR service will be subject to service in accordance with the Collective Agreement and Appendix B.

8. ESR TRAIN SERVICE

- 8.1. Trains to be used in ESR service will be determined by the Company.
- 8.2. ESR crews will not be run in TCS.
- 8.3. ESR crews will not be run in turnaround service.
- 8.4. ESR crews will run trains planned from the Home Terminal to Away-From Home Terminal or vice versa as defined in Article 1 of this agreement.
- 8.5. In cases in which crews are run long or run short of ESR crew change points, the provisions of Article 12.14 (CTY) and Article 5.12 (LE) will apply.
- 8.6. ESR crews may run west of Coquitlam if determined operationally feasible.
 - 8.6.1. In cases where crews run west of Coquitlam, they will be compensated for actual time run (12 ½ miles per hour) in addition to pay for the rest of the trip and will not be used toward a minimum day. The time will be calculated from the time departing Mile 112.3 Cascade Sub until arrival back at Mile 112.3 by train or the Coquitlam yard office by taxi.
 - 8.6.2. The intent of crews running west of Coquitlam is to have them in and off duty within 10 hours if notice is given and 12 hours if notice is not given.
 - 8.6.3. Employees will not run west of Coquitlam unless both crew members are familiarized. If the Locomotive Engineer is familiarized with a minimum 3 tours of duty west of Coquitlam, he may act as a pilot for the Conductor.

9. SPAREBOARD EMPLOYEES

- 9.1. When a spare board employee is required in ESR service, the first out familiarized employee from the Road, Common, or Locomotive Engineer Spareboards will be called in accordance with Item 3 and will fall under the terms and conditions of this agreement.

10. FAMILIARIZATION

10.1. Initial Familiarization

- 10.1.1. All applicable ESR employees at all three home terminals will require initial familiarization to commence after April 3, 2015. Employees so familiarizing will be paid as if it was a working tour of duty. It is expected that employees familiarizing in ESR service will require and will be granted up to three (3) round trips, to become familiarized. Should an employee require further familiarization, they may request an additional trip which will be accommodated.
- 10.1.2. The number of spare employees to be initially familiarized will provide sufficient coverage to ESR service out of each terminal.

- 10.1.3. Initial familiarization rates will apply to any new employee added to the ESR pool as ESR trains are added to the operation if not already familiarized.

10.2. Ongoing Familiarization

- 10.2.1. It is expected that all spare employees subject to ESR service will be familiarized and will require and will be granted up to three (3) round trips in order to become familiarized. This familiarization will be paid as if it was a working tour of duty. Should an employee require further familiarization, the employee may request an additional trip which will be accommodated.
- 10.2.2. Employees requiring ongoing familiarization after one year of ESR operations being in effect, will be paid a minimum day for familiarizing on each subdivision with which they are unfamiliar.
- 10.2.3. Employees will be paid a minimum day when they are required to travel to either North Bend or Boston Bar, in order to commence a familiarization trip.

11. ASSESSING IMPACTS OF CHANGE

- 11.1. In order to determine what, if any, significant adverse impacts that result solely from the implementation and operation of ESRs are, the Company will apply the following process:
 - 11.1.1. A snapshot of operations at each terminal will be taken on the effective date of this agreement. A second snapshot at each terminal will be taken 12 weekly crew changes following the date of implementation.
 - 11.1.2. If it is found that this change has had significant adverse effects on employees, those employees affected may be entitled to the benefits outlined in Appendix A of this agreement.
 - 11.1.3. Appendix A does not apply to any adverse effects caused by other changes. Examples of other changes include, but are not limited to, employees making seniority moves that result in bumping or displacements and changes in traffic volumes. In assessing the size of the impact of this change, the number of miles that have been reduced and any change in the number of miles being carried over are measures that will be used to assist in determining the scope of the impact of this change. Other measures may be taken into consideration in assessing the impact of this change.
- 11.2. If, subsequent to the review outlined above, the Company increases additional slots to the scope of this agreement, a further review of any significant adverse impacts solely related to the additional slots will be undertaken. The Company will provide a 14-day notice of such additions, unless otherwise mutually agreed. The outcome of this review will be provided to the Union and may trigger the benefits outlined in Appendix A of this agreement.

12. MISCELLANEOUS

- 12.1. Investigations will be conducted at the home terminal of the crew. The local Manager and the Local Chairperson will work together to schedule investigations between trips. The

parties agree to jointly review any issues surrounding the scheduling of investigations that may arise.

- 12.2. Each tour of duty in ESR service will count as two tours of duty towards the eligibility for General Holiday payments as per Articles 18.02(3) (LE) and 68.02(3) (CTY). For clarification, a round trip in ESR service consists of four tours of duty in ESR service, for the purpose of this clause.
- 12.3. In consideration of granting bridging into scheduled Annual Vacation and EDOs, ESR employees will be granted reasonable time off to do the same. Trains in ESR service will not be delayed or run by the single subdivision pools or spareboard as a result of such a bridge. Disputes regarding bridging that are not resolved locally may be escalated for resolution to the affected General Chairman and the Director, Labour Relations.
- 12.4. The parties remain open to discuss the concepts associated with fatigue management with regard to the operation of ESRs.

13. SUSPENSION OF AGREEMENT

- 13.1. While it is not anticipated that there will be a need to suspend this agreement, should it become necessary, the General Chairmen will be notified. The following guidelines will apply:
 - 13.1.1. The process for the temporary suspension of this agreement account planned or unplanned outages will be done in conjunction with the weekly change.
 - 13.1.2. Planned outages may consist of work blocks. In such cases, notice will be provided as far in advance as is practicable.
 - 13.1.3. Unplanned outages are due to unforeseen circumstances. In such cases, notice will be provided as soon as possible. In such cases of temporary suspension, crews in ESR service will be handled in accordance with existing practices.
- 13.2. The terms of this agreement will not apply during a temporary suspension of ESR service.

14. GENERAL ITEMS

- 14.1. The Start-Up Committee (a total of 3 union reps), a total of 2 managers, an Operations Centre representative and a CMC representative will be involved with the implementation at Company's expense. The Start-Up Committee will dissolve once ESRs are implemented.
- 14.2. Ongoing maintenance meetings and/or conference calls will occur on a local basis, as required. It is expected that such discussions will be bundled with other routine business. Company-initiated meetings to address major issues related to ESRs will be held at the Company's expense.
- 14.3. Disputes that are not resolved locally will be escalated for resolution to the affected General Chairman and the Director, Labour Relations.
- 14.4. Any dispute respecting the interpretation, application or alleged violation of this agreement may be progressed as provided for in Step 3 of the Grievance Procedure.
- 14.5. Either party has the ongoing ability to call a meeting to commence within thirty (30) days to discuss and resolve major issues that arise from this agreement. Such a meeting will be held between the General Chairmen, the Director LR, and the VP Operations. If unresolved, the issue may be expedited to CROA.
- 14.6. Planned changes to accommodations following the implementation of the Agreement will be reviewed jointly by the parties.

14.7. This Agreement may be cancelled with 30 days written notice by the Company.

15. WITHOUT PRECEDENT OR PREJUDICE

15.1. The signatory parties to this agreement understand and mutually agree that this agreement is entered into without precedent or prejudice and, except for grievances specific to this ESR agreement and appendices, will not be used by any party for any reason without the express written consent of the other party.

Signed this _____ day of October, 2015.

Dan Sewell
General Manager – Pacific Region

Dave Fulton
General Chairman, TCRC CTY

David E. Guerin
Director, Labour Relations

Greg Edwards
General Chairman, TCRC LE

Gur Parmar
Director, Crew Management

Appendix A

1. MAINTENANCE OF BASIC RATES (MBRs)

- 1.1. Employees covered by this agreement will be entitled to maintenance of basic rate benefit (MBR) provided that they were regularly home terminalled and working in either Coquitlam / Roberts Bank or Kamloops - including spare boards, on the day of the notice of ESR service and, as a consequence of the change, are unable to hold a position in the same classification held prior to the change. Classifications are as follows:
- **Coquitlam / Roberts Bank:** Road Switcher, Locomotive Engineer (Road), Locomotive Engineer spareboard, Locomotive Engineer Yard, Conductor (Road), Brakeperson (Road), Trainman spareboard, Yard Foreman, Yard Helper, Yard Service Employee and Yard Service Helper.
 - **Kamloops:** Road Switcher, Locomotive Engineer Road, Locomotive Engineer spare board, Locomotive Engineer Yard, Conductor (Road), Brakeperson (Road), Trainman spare board, Yard Foreman and Yard Helper.
- 1.2. Basic rates will be maintained by payment of the difference between actual earnings in a four week period and four times the basic weekly pay defined in Item 1.3. The difference is known as the employee's incumbency. If actual earnings in a four week period exceed four times the basic weekly pay, no incumbency is payable. The four week MBR period is defined as consecutive pay periods.
- 1.3. For the purpose of this agreement, the term basic weekly pay is defined as:
- 1.3.1. For an employee assigned to a regular position in yard service on the effective date, at the time of a displacement, as a consequence of implementation, the basic weekly pay will be as follows:

Locomotive Engineer	\$1,459.19
Yard Foreman	\$1,384.40
Yard Helper	\$1,266.63
Yard Service Employee	\$1,423.84
Yard Service Helper	\$1,307.97

- 1.3.2. For an employee in road service on the effective date, including employees on road and common spare boards, one-fifty second (1/52) of the total earnings of such employee during the twenty-six full pay periods preceding his/her displacement as a consequence of implementation.

1.3.3. When computing "basic weekly pay" pursuant to Item 1.3.2 above, any pay period during which an employee is absent for seven (7) consecutive days or more due to;

- a bona fide injury,
- sickness for which weekly indemnity benefits have been paid,
- authorized leave of absence, or
- when a Union officer is unavailable due to Union business,

will have these earnings if any, together with the earnings of the employee in that pay period, subtracted from the total earnings in the twenty six pay periods when determining the basic weekly pay. In such circumstances, basic weekly pay shall be calculated on a pro-rated basis by dividing the remaining earnings by the remaining number of pay periods.

1.3.4. Basic weekly rates are subject to any general wage adjustments where applicable during the life of this agreement.

1.4. When provided an MBR, an employee must:

1.4.1. Exercise their seniority to the position of highest earnings at their home terminal or outpost terminal in accordance with collective agreement seniority provisions. For the purpose of calculating highest earnings, shift differential will not be considered.

1.4.1.1. Should they fail to do so, they will be considered as occupying such position and their incumbency will be reduced accordingly.

1.4.1.2. Should there be a dispute regarding the position of highest earnings to which the employee must exercise seniority, the Company may designate the position.

1.4.1.3. If the TCRC disputes this decision it may be advanced by the General Chairman as a grievance commencing at Step 3 of the grievance procedure.

1.4.2. Work all vacancies available to them consistent with collective agreement seniority provisions.

1.4.3. Be available for service for the entire four week period. If not available, the incumbency for that period will be reduced by an amount equal to the earnings that would have been made on the day(s) unavailable.

1.4.3.1. Except as provided for in Item 1.4.4, booking personal rest in excess of ten (10) hours at the home terminal in unassigned service that results in a loss of work opportunity is considered as being unavailable for service. Rest mandated by legislation at the home terminal is encompassed by the term "personal rest". Mandated and personal rest must not exceed ten (10) hours.

1.4.3.2. In assigned service, including yard service, being unavailable on an assigned working day is considered as being unavailable for service.

1.4.4. Unassigned freight pool employees will be able to book maximum rest according to the provisions of the Collective Agreement without affecting their

MBR entitlement provided that they earn their maximum monthly mileage during their mileage period and have the ability to do so.

- 1.5. In order to allow for proper administration of 1.4.4 of this agreement, it is agreed that an employee's MBR period will be matched, as closely as possible, to their mileage period. MBR periods may be pro-rated in order to make this adjustment. Any formula to pro-rate the MBR period must be jointly agreed upon by the parties to this agreement.
- 1.6. If an employee fails to make their maximum monthly mileage, and has missed a trip as a result of booking more than ten (10) hours rest during the MBR entitlement period, their incumbency will be reduced by the earnings associated with the trips missed to a maximum of the number of trips up to the maximum monthly mileage. Note: A maximum of one trip can be deducted in any one twenty four (24) hour period as a result of booking more than ten (10) hours rest.
- 1.7. All compensation paid to an employee by the Company in each four week period, shall be taken into account when computing the employee's incumbency. Shifts or tours of duty commencing between 0001 on the first day of the four week period, will be included in computing compensation paid. Yard employees who work other than their regularly scheduled tours of duty will not have the additional earnings included in the calculation of their MBR incumbency.
- 1.8. Employees shall be entitled to maintenance of basic rate benefits pursuant to this agreement for a period of three (3) years from the effective date of benefit entitlement.

2. LAYOFF PROTECTION

- 2.1. Employees covered by this agreement at its signing are entitled to a lay off benefit credit of five (5) weeks for each year of cumulated compensated service or major portion thereof.
- 2.2. This protection is not intended to apply to layoffs that result from a downturn in business or to apply to layoffs that result from seniority moves resulting in bumping and displacements.
- 2.3. Upon implementation of the change, the junior employee(s) working at the time will be designated as being entitled to layoff benefits provided that they:
 - are represented by the TCRC Divisions 320 or 821,
 - are directly and adversely affected by this change,
 - are regularly assigned to a position in either the Coquitlam / Roberts Bank or Kamloops terminal under the terms of the current collective agreements on the effective date, and
 - have at least two years cumulative compensated service (CCS) on the effective date.
- 2.4. A layoff benefit will be eliminated for each attrition within the Coquitlam / Roberts Bank or Kamloops terminals whether it be as a result of a retirement, death, resignation, permanent relocation or early retirement. A reduction in lay off benefits under this clause is understood to mean the removal of the senior employee with such entitlement.

2.5. Weekly layoff benefits will be made available to eligible employees covered by this agreement for each full week of seven (7) consecutive calendar days of lay off (herein called a "claim week") provided all the following conditions are met:

2.5.1. The employee must be laid off. An employee will not be regarded as laid off:

2.5.1.1. During any day or period in which employment is interrupted;

- By approved leave of absence for any reason
- Sickness
- Disciplinary action (including time held out of service pending investigation)
- Failure to exercise seniority on the District except in cases in which the displacing employee would cause a lay-off at the new terminal
- Retirement
- Act of God, including but not limited to fire, flood, tempest or earthquake
- A reduction or cessation of work due to Strikes by employees of the Railway

2.5.1.2. During any interval between the time that the employee is recalled to service after a period of lay off and the actual time the employee resumes work; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provisions of the Agreement, on the same basis as if they had returned to work on the date such work became available.

2.5.1.3. If the employee declines for any reason, other than as expressly provided for in 2.6.1.2, recall to work at their home location.

2.5.1.4. In respect of any period in which the employee is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided for in this agreement, or

2.5.1.5. After dismissal or resignation from the Company.

2.5.2. Following an application being made by the employee to the designated Company officer.

2.5.3. Following a seven (7) calendar day waiting period following lay off. Each time an employee is laid off they will have a seven (7) calendar day waiting period. The exception to this rule is that once an employee has been on lay off for more than seven (7) calendar days, and they are recalled to work, for a period of less than ninety (90) calendar days, they will be immediately eligible for weekly lay off benefits upon lay off within such ninety (90) calendar days.

2.5.4. The employee has exercised full seniority rights at their home terminal.

2.6. Weekly lay off benefits will consist of the following:

2.6.1. For each complete week of seven (7) calendar days laid off following the seven-day waiting period, an amount that, when added to Employment Insurance (EI) benefits and/or outside earnings in excess of those allowable under EI for such week, will result in the employee receiving eighty percent (80%) of their basic weekly pay at the time of the layoff.

2.6.2. If the employee is not eligible for EI benefits because such benefits have been exhausted or because the employee is not insured for EI benefits or because of an EI waiting period in excess of seven (7) days, then the employee may claim a weekly lay off benefit for each complete week of seven (7) calendar days laid off of the maximum EI weekly benefits currently in force or such lesser amount that when added to the employee's outside earnings for such week will result in the employee receiving eighty percent (80%) of their basic weekly pay at the time of the layoff.

2.6.3. Weekly lay off benefits are only payable for a duration of three (3) years from the effective date of this agreement.

2.6.4. In each week that a weekly lay off benefit is claimed, the employee must report to the Company any amounts received from EI for that week. They must also report any wages earned during that week from sources outside the Company. If no such report is submitted, the Company will assume that the outside earnings reported for the previous week are the same as for the current week.

3. PERMANENT RELOCATION OR COMMUTING ALLOWANCE IN LIEU OF LAYOFF BENEFITS

3.1. An affected employee who is subject to and entitled to layoff benefits as described *above*, may make a one-time election to exercise his seniority to another terminal in accordance with the collective agreement.

3.1.1. In such a case, the employee may elect to take advantage a commuting allowance for one year, based on automobile mileage rates in the collective agreement. This benefit would be taken in lieu of lay off benefits.

- 3.1.2. Alternatively, the employee may elect to apply for Permanent relocation benefits, as described in Article 72.15 (CTY) and 34.11 (LE) of the Collective Agreement. This benefit would be taken in lieu of lay off benefits.
- 3.1.3. Should an employee choose a permanent relocation benefit or a commuting allowance, one layoff benefit will be eliminated.
- 3.1.4. Employees are not eligible to take a permanent relocation and a commuting allowance benefit, in accordance with the language in the collective agreement.
- 3.1.5. No further benefits will be triggered as a result of an employee who chooses to relocate.

Appendix B

HOURS OF SERVICE AGREEMENT

This is in relation to our recent discussions concerning the implementation of Expedited Service Runs (ESR) between Coquitlam, Roberts Bank and Kamloops. Specifically, we discussed the hours of service for ESR crews.

Through our discussion, we agreed to the following provisions for ESR service between the aforementioned locations:

- 1 If any crew member gives notice as provided in Article 27.04 (TCRC-LE) Collective Agreement or 29.05 (TCRC-CTY) Collective Agreement and do not complete the working portion of the trip from terminal to terminal, the crew will revert to the dual method of calculating pay and Clause 2 below will not apply. Articles 29.12 (CTY) and the 27.11 (LE) and Appendix 9 of the MOS will apply.

- 2 A crew who:
 - has 12 hours on their clock and,
 - commences a straightaway tour of duty in ESR service in either Coquitlam, Roberts Bank or Kamloops,
 - does not give their notice for rest, and,
 - is deadheaded into or out of working service

will be paid the same fixed mileage as if the crew had completed the entire trip working on the train to the objective terminal.

- 3 The \$80.00 "NR" premium payment provided in Article 27.12 (TCRC-LE) Collective Agreement and Article 29.13 (TCRC-CTY) Collective Agreement applies for all crews operating in ESR service between Coquitlam / Roberts Bank and Kamloops, if the crew is on duty over 10 hours.

- 4 Article 27.12 of the TCRC-LE Collective Agreement and Article 29.13 of the TCRC-CTY Collective Agreement will apply in that the crews will be in and off duty within 12 hours.

Appendix C

IMPLEMENTATION DETAILS

This is in reference to the recent discussions regarding the details associated with the implementation of Expedited Service Runs (ESR), between Coquitlam, Roberts Banks and Kamloops.

A joint Union/Company Start-Up Committee was created and tasked with compiling a list of implementation details associated with this new ESR service. The Start-Up Committee met on September 4, 2014 and provided a set of recommendations aimed at the successful implementation of ESRs.

These recommendations were presented to the General Chairman, the General Manager Operations and Director, Labour Relations. As a result of that meeting, the following implementation details were agreed upon:

1. Handling Crews at the Home and AFHT
 - a. It is anticipated that ESR operation will consist of six slots out of Coquitlam and four slots out of Roberts Bank daily with the corresponding number of slots originating out of Kamloops
 - b. Initial familiarization will be projected as 12 Coquitlam crews, 8 Roberts Bank crews, 20 Kamloops crews and a corresponding number of spare employees at each terminal. The parties agree that full initial startup may not be possible but it is recognized that the Company may commence ESR operations with three slots out of Coquitlam and two slots out of Roberts Bank.
 - c. Should it be determined by the Company that certain trains will operate outside of ESR Service, a non-ESR pool will be established to handle such trains.
 - d. Crews will be run on a first-in & first-out basis, and unless on rest, AFHT crews will be ordered in preference to Home Terminal crews.
 - e. Rest/crew change will work the same as with non-ESR operations.
2. Mileage Equalization
 - a. Mileage equalization will be handled at the local level.
 - b. A review of miles between the terminals will be conducted on a quarterly basis.

3. Home Terminal Calling Rules
 - a. ESR Calling rules are referred to in Appendix D. The parties agree that a review of these calling rules will be undertaken within two months of the signing of this agreement. The purpose of this review will be identify any potential calling rules that may require mutually agreed upon amendments.
4. Spares to be familiarized
 - a. The appropriate number of employees required to provide initial back-up coverage to ESR service will be determined locally, with all remaining applicable spare employees to be familiarized as soon as possible.
5. Initial Familiarization
 - a. LE Pilots may be utilized for the initial familiarization period.
 - b. The Union will supply a list of names of those who may be utilized as pilots. If an insufficient number of pilots is identified, or if there is insufficient manpower, then pilots, if required, may be called out of the pools to guide ESRs over unfamiliar territory.
 - c. Local Chairmen and Local Managers can agree to allow employees to familiarize by making consecutive trips on the unfamiliar territory, if there is sufficient manpower.
 - d. Train and Engine employees will be required to utilize the FTO fully for ESR trips.
6. Ongoing Familiarization
 - a. Local Chairman and Local Managers can agree locally to allow employees to familiarize by making consecutive trips on the unfamiliar territory, if there is sufficient manpower.
 - b. Employees are expected to initialize the FTO on each trip. By end of the familiarization trips, RTEs should be prepared to utilize the FTO fully for the ESR trips.
7. Timing for trains to be designated as ESR Trains
 - a. The Operations Center will strive to have the line-up reflect confirmed ESR trains at least 8 hours in advance.
8. ESR trains that do not successfully make it to the objective terminal will be handled by non-ESR service crews unless there are none available.
9. The parties will meet locally after one month to review implementation, if required.
10. Three local Chairs or designates will come into the Calgary OC for the first two weeks to participate with the implementation.

These implementation details reflect the parties' best efforts to predict how to successfully and efficiently operate in ESR service between Coquitlam, Roberts Bank and Kamloops. It is understood that, subsequent to implementation, some of these items may need to be adjusted to better suit the needs of the service. The parties retain the ability to continue to work together collaboratively to modify the procedures and details outlined above in order to ensure successful operation of ESR service.

The details outlined in this Appendix are agreed to without prejudice or precedent.