

Brothers and Sisters,

After over ten (10) months of bargaining, three (3) months of mediation and a strike, a settlement was agreed to by the TCRC MWED and CPRail.

These are some of the highlights;

- **Three year deal for 2007, 2008, 2009**
- **wages of 3% for 2007 retroactive to January 1st, 4% for 2008 and 3% for 2009.**
- **an additional 1% for each year, paid lump sum semi-annually, exclusive of wages. This will be re-directed, for the life of this contract, from the company payment to the ES fund which is valued at over 14 million dollars, fully funded and in surplus.**
- **Goal share of 5% max with stretch targets (no personal injury liability) with 1% of it based on financial status of company (non incentive based).**
- **Dental to be based on current year fee guides.**
- **Expenses increased to \$38.00 per diem for meals, \$95.00 for full per diem and ad hoc**
- **Shift differential increased to \$.75 and \$1.00 (from \$.45 and \$.50)**
- **Non conforming rest day special work crew agreement to allow for 15.5% increase for all hours worked on these crews.**
- **1.8 pension formula with no contribution increase.**
- **B-1 mileage based on actual Kms (not 100 km increments) and increased to 4 cents above bus rate kms (averaging out around 20 cents per Km).**
- **Round trip airfare for TP&E employees from Maritimes.**
- **\$1.20 an hour increase to TM/TD rate for air brake BTMF section vehicles.**
- **A meal to be provided or allowance of \$13.00 for anyone not on per diem expenses who works three (3) hours past end of regular shift.**
- **Life insurance increase to \$150,000.00 for employees fatally injured at work**
- **1% increase for WH&S committee members.**
- **Many Benefit and Job security increases and improvements.**
- **No one to be held out of service without pay except for clearly specified reasons and then, for not longer than five (5) days.**
- **Strict guidelines for the amount of starting time changes per work cycle.**
- **Many other work rule improvements.**

We did accept the company's demand for co-pay on benefit premiums. This will come into effect in 2008. It means that we have eliminated the deductible on Health/Vision Care and Dental but have agreed to pay 10% of the premium for these benefits. This is around \$180.00 per year right now and we received 1% of payroll for this (\$400.00 on a \$40,000.00 income).

In an effort to get the ratification process done in a cost effective manner and reasonable time frame, we have posted the June 6th Memorandum on the web site along with the company's previous final offer of March 23rd, for comparison.

Both documents can be found at:

Document1

<http://www.tcrcmwed.ca/ENG/NEWS/MoS.htm>

Any questions can be directed to the members of your Executive Board, whose contact info is again enclosed.

There is also a ballot pertaining to the strike fund enclosed. These are separate issues and are not tied to each other. Please fill out both ballots (strike fund and ratification) and send both back in the envelope enclosed for that purpose.

The ballots will be counted on July 18th, 2007.

In solidarity,

W. Brehl
President
TCRC MWED