



Human Resources
MacMillan Yard
P. O. Box 1000
Concord, Ontario
L4K 1B9

Ressources humaines
Triage MacMillan
P. O. Box 1000
Concord, Ontario
L4K 1B9

November 07, 2005

Our File: 8301-078, 8304-079
Your File:

Paul Vickers
General Chairman
560 Exmouth Street
Suite 111
Sarnia, Ontario
N7T 5P5

Rex Beatty
General Chairperson
421 Bay Street, Suite 207
P6A 1X3
c/o Gary Anderson

Gentlemen,

As a result of our discussion surrounding the application of Maintenance of Earnings, pertaining specifically to the Blocking of assignments, the following will be implemented.

1) The Blocks will be as follows as per the arbitration case CROA 2866

Block 1	\$6,200.00 and above
Block 2	\$5,900.00 to \$6,199.00
Block 3	\$5,600.00 to \$5,899.00
Block 4	\$5,300.00 to \$5,599.00
Block 5	\$5,000.00 to \$5,299.00
Block 6	\$4,700.00 to \$4,999.00
Block 7	\$4,400.00 to \$4,699.00
Block 8	\$4,100.00 to \$4,399.00
Block 9	\$3,800.00 to \$4,099.00
Block 10	\$3,500.00 and below

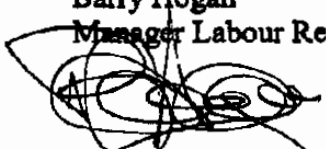
- 2) All Road Switcher assignment will be blocked based on an average of their earning on a terminal, by terminal basis. The average earnings will determine what block will be established for all road switchers at that particular terminal.

- 3) At outpost locations, which are listed below, for employees that reside at these locations the Block penalties will not apply. Employees working at the home terminal will not be subject to a Block penalties for not working assignments at the out post location.
 - a) Cornwall, Ontario
 - b) Brockville, Ontario
 - c) Coteau, Quebec
 - d) Huntsville, Ontario
 - e) Brantford, Ontario

- 4) The Company and the Unions agreed that prior to the advertising of the Road Switcher assignment at the spring change of card 2006, they would meet and discuss any issues that may have arisen as a result of the averaging of the earnings.

Trusting the above is in order.

Barry Hogan
Manager Labour Relations



For: Keith Creel
Senior Vice-President
Eastern Canada