



**CANADIAN
PACIFIC
RAILWAY**

January 5, 2010

Mr. Robert J. Keeley
General Chairman UTU-Y
85-62 76th Street
Woodhaven, N.Y. 11421

Dear Mr. Keeley:

The following understanding resolves the issues that have been discussed by D&H and the UTU-Y on January 4th and 5th, 2010, in Clifton Park, NY.

Section 1

All disputes or issues with regard to the elimination of yardmaster positions at Saratoga, to the Binghamton yardmaster workload or to the assignment of Saratoga yardmaster work to yardmasters at Binghamton are considered resolved by this understanding.

It is recognized that all D&H yardmaster work is centralized in Binghamton, N.Y. Unless otherwise decided by the carrier based on operating needs, it is understood that additional Yardmaster positions will be added at Binghamton.

Article 8.9 will be modified to reflect system seniority and the D&H system as a single district. Current prior rights will be retained.

Section 2

The Preamble of the November 14, 2007, D&H/UTU-Y Schedule Agreement is modified as follows:

SCOPE: The duties and responsibilities of a yardmaster include: supervision over employees directly engaged in the switching, blocking, classifying, and handling of cars and trains and duties directly incidental thereto that are required of the yardmaster in a territory designated by the Carrier.

Section 3

During the discussions on January 4th and 5th, 2010, an issue was raised regarding Yardmasters' lack of clarity as to their assigned tasks, along with their interaction with other members of the transportation team. The Carrier representatives assured the Organization that company procedures and policies were intended to ensure an appropriately sized workload free of unnecessary intrusions.

To that end;

The carrier makes a commitment that within ninety (90) days, D&H will design, schedule and conduct an "Expectations" workshop with its TYCs and Yardmasters to ensure that all have a clear understanding of their respective roles and responsibilities.

The UTU General Chairman is encouraged to attend these interactive expectations dialogues, however, it is understood that the carrier's management team has the responsibility for determining performance standards and clarifying roles/responsibilities.

Section 4

The parties agree to arbitrate the dispute as to when seniority is established under the Agreement pursuant to Article 8.1. This will be accomplished by the parties' agreeing that the claim filed by UTU-Y File # 3-006783 will be considered conferenced and may be docketed by UTU-Y at a Public Law Board for final resolution.

Section 5

Effective January 5, 2010, D&H agrees that up to 60 days on which a yardmaster is available and receives Guaranteed Extra Board pay will count as a day when service is performed in terms of qualifying for a vacation in the following calendar year.

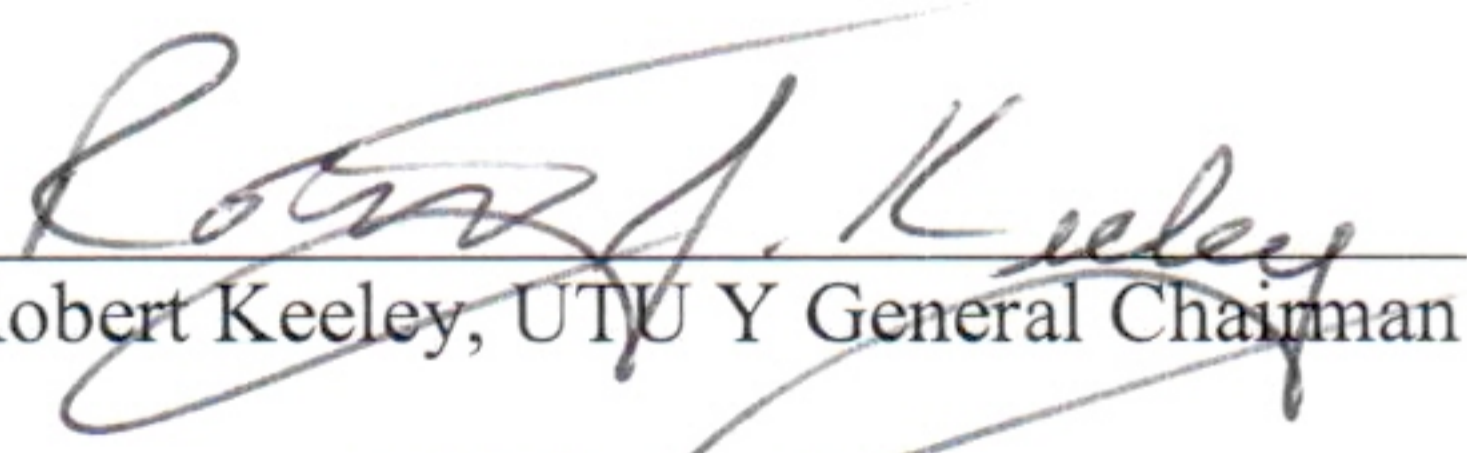
Please indicate your concurrence by signing in the space provided below.

Sincerely,

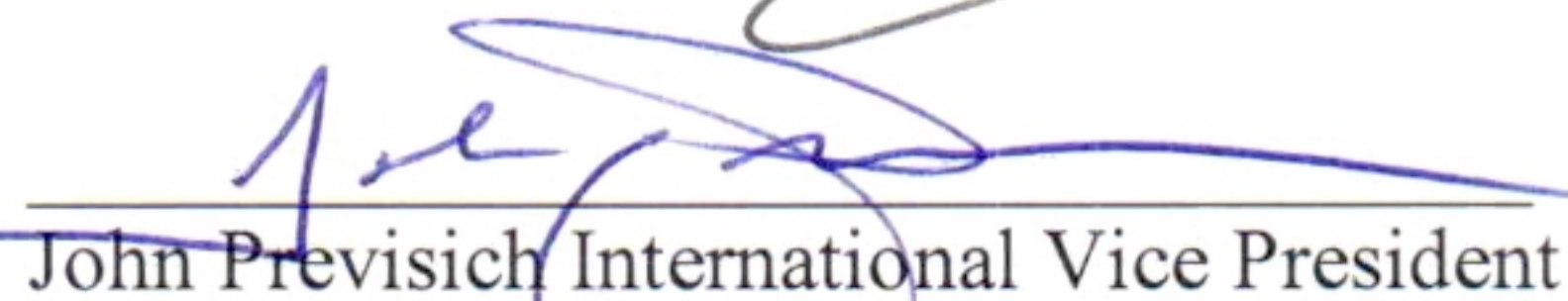


Cathryn S. Frankenberg
AVP Labor Relations and Human Resources – US

I concur:



Robert Keeley, UTU Y General Chairman



John Previsich International Vice President

Dated: 2/1/2010