CANADIAN RAILWAY OFFICE OF ARBITRATION CASE NO. 2270 Heard at Montreal, Thursday, 16 July 1992 concerning CANADIAN PACIFIC EXPRESS & TRANSPORT and TRANSPORTATION COMMUNICATIONS UNION EX PARTE DISPUTE: The closing of the terminal and the termination of the bargaining unit employee positions at Kentville, Nova Scotia, while the work is to be handled by a Mr. W. Pigott, an independent operator, and by Thompson's Transfer Company. UNION'S STATEMENT OF ISSUE: An Article V Notice was issued on November 1, 1991, advising of an operational change that would result in the closing of the Kentville, Nova Scotia Terminal. This is to affect two (2) employees at Kentville who will be unable to hold any position on their basic seniority territory. The work normally done by these employees will now be done by Mr. Pigott, who will have his present territory enlarged, and by the engagement of Thompson's Transfer to perform the deliveries, etc., for the area beyond that to be covered by Mr. Pigott. The Union contends that this increase in the use of Owner-Operators/Brokers and Interline Carriers, resulting in this reduction of bargaining unit employees, violated the terms in the Collective Agreement. In the alternative, the Union asserts that the persons to whom the work is assigned are in effect employees of CPET and ought to be covered by all of the provisions of the Collective Agreement. The Company contends that they have issued the Article V Notice in accordance with the Job Security Agreement and have not violated the Collective Agreement. The relief requested is the return of all the work normally done by bargaining unit employees at Kentville, Nova Scotia, to the said employees at Kentville. FOR THE UNION: (SGD.) J. CRABB EXECUTIVE VICE-PRESIDENT

There appeared on behalf of the Company: P. A. Young Counsel, Toronto B. F. Weinert Director, Labour Relations, Toronto B. D. Neill Vice-President, Human Resources, Toronto G. Power Operations Supervisor, Dartmouth And on behalf of the Union: M. Church Counsel, Toronto J. Crabb Executive Vice-President, Toronto M. Gauthier Vice-President, Montreal M. Flynn Vice-President, Vancouver J. Marr Vice-President, Saint John AWARD OF THE ARBITRATOR Upon a review of the material filed, having regard to the particular facts in respect of the Company's operations at Kentville, N.S., the Arbitrator is satisfied that the Union has not established that there has been any violation of the collective agreement, or that work being performed either by Mr. Piggott of by Thompson's Transfer is such as to qualify the persons performing such work as employees of the Company. For these reasons the grievance is dismissed. July 17, 1992 (Sgd.) MICHEL G. PICHER ARBITRATOR