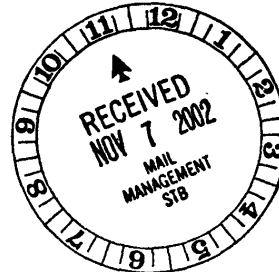


206525

November 1, 2002

VIA US MAIL

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20006



Re: Finance Docket No. 34004
*Canadian Pacific Railway Company and Napierville Junction
Railway Company – Corporate Family Transaction Exemption –
St. Lawrence & Hudson Railway Company Limited*

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of my supplement and reply to *Canadian Pacific Railway Company's* Motion to Supplement the Record filed September 18, 2002.

Kindly acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the self-addressed stamped envelope.

Very truly yours,

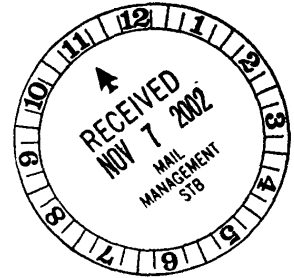
Karen Cline

Karen Cline
15128 Gage Street
Taylor, Michigan 48180

Before the
SURFACE TRANSPORTATION BOARD
Washington, D. C. 20423

Finance Docket No. 34004

*Canadian Pacific Railway Company and
Napierville Junction Railway Company
– Corporate Family Transaction Exemption –
St. Lawrence & Hudson Railway Company Limited*



**REPLY TO CANADIAN PACIFIC RAILWAY COMPANY'S
MOTION TO SUPPLEMENT THE RECORD**

Karen Cline (Cline) files this supplement and reply to the Canadian Pacific Railway Company's Motion to Supplement the Record filed with the Board on September 18, 2002. Cline previously filed a Petition to Reopen and Impose Oversight with the Board on July 27, 2002 citing the fact that she was pursuing:

...rights under the proceeding and NYD. However, given the fact that CPR corporate headquarters are located in a foreign country; communications and ultimately enforcement tenuous; Cline hereby requests the Board to reopen the exempt proceedings and impose oversight. Such actions will insure the public interest is protected in this proceeding and the Board's imposition of \$11326 for the benefit of U.S. railroad employees via the NYD protective conditions are expeditiously followed.¹

Canadian Pacific Railway's (CPR) "Motion to Supplement the Record" with the Board on September 18, 2002 states that "*Cline continues to make the conclusory statement that the abolishment of her position and relocation of border services work to Winnipeg occurred as result of the corporate structure changes... although the verified*

¹Cline informed CPR on July 9, 2002 that if it continued to ignore previous correspondence (4/19 and 5/30) a reopening of FD 34004 would be sought.

statements provided by CPR... demonstrated that Cline cannot establish the necessary causal connection, she now recognizes that a dispute such as this belongs in an arbitral forum."

Cline received a letter from Ms. Cathryn S. Frankenberg, Canadian Pacific Railway (CPR), dated October 18, 2002 again refusing the institution of the arbitration procedures found in §11 of New York Dock (NYD).² In its letter CPR alleges that Cline is attempting *"to pursue labor protection under conditions imposed on a transaction that is wholly unrelated to the abolishment of your job..."* and refuses Cline's request for §11 arbitration procedures.

Cline asserts that CPR's verified statements demonstrate a causal nexus exists with the subject transaction found in FD 34004. Contrary to the assertions of CPR's recent verified statements, the Board is reminded that other verify statements were made in CPR's initial filing in FD 34004 which stated that NYD was the appropriate protection to be afforded affected US employees.³ Now CPR comes before the Board and asserts in its most recent verified statements that NYD is inappropriate in transactions dealing with the reorganization or consolidation of clerical work from the US to Canada pursuant to FD 34004. In these recent filings CPR continues to misrepresent Cline's initial motion to the Board.

Once again for the record, Cline's motion for reopening and oversight request

²Cline has requested CPR to join in the establishment of a procedural/merits board for the adjudication of the matter.

³CPR also verified in FD 34004 (Feb. 16, 2001) that there would be no *"adverse changes in service levels, operational changes, or change in the competitive balance... [and] there will be no change in operations... or labor impacts within the United States."*

was made to insure that *"the NYD protective conditions are expeditiously followed"*.

This is still Cline's concern as of this date – CPR adherence to the procedures and conditions of NYD.

CPR attempts to mitigate such requirements by alluding to an arrangement that it instituted having no similarity or equal to NYD. Such arrangement is purely an attempt by CPR to evade its statutory obligations under the Board's imposed protections.⁴

As previously pointed out, the Board has consistently restrained itself from being embroiled in matters involving causation and application of its imposed protections by holding that: *"those most familiar with the complexities of labor law and particular problems associated with railroad employees would determine disputes arising out of such conditions."*⁵

Cline prays the Board will recognize the machinations of CPR in all its filling and order it to adhere to the protective conditions the Board imposed in FD 34004 by insuring timely arbitration of this matter.

Respectfully submitted,



Karen Cline
15128 Gage
Taylor, Michigan 48180

Attachments - November 1, 2002

⁴See Norfolk & Western Railway Co. v. Richard Nemitz et al., November 15, 1971, which held that "An agreement made pursuant to the last sentence of Sec. 5(2) (f) may vary the protections afforded by the I.C.C. order, but, it may not substantially abrogate employees' rights grounded in an I.C.C. order." 436F 2d, at 848.

⁵Norfolk & W. Ry. Co. and New York, C. & St. L. R. Co. Merger, 9 I.C.C. 2d 1021, 1025 (1993) as cited in Carmen III.

Cline will serve a copy of this petition upon Leonard, Street and Deinard, 150
South Fifth Street, Minneapolis, MN 55402 – Diane Gerth.



**CANADIAN
PACIFIC
RAILWAY**

501 Marquette Avenue (55402)
PO Box 530 (55440)
Minneapolis Minnesota

Tel (612) 347-8356

In Response Please Refer to
File:

October 18, 2002

0-0151-001

Ms. Karen Cline
15128 Gage Street
Taylor MI 48180

Re: September 25, 2002 Letter

Dear Ms. Cline:

By this letter, I acknowledge receipt of your September 25, 2002 letter in which you again attempt to pursue labor protection under conditions imposed on a transaction that is wholly unrelated to the abolishment of your job with Canadian Pacific Railway in Detroit, Michigan.

The purpose of this letter is to reiterate what we have communicated to you several times in the past: (a) the abolishment of your job in Detroit was causally unrelated to the corporate restructuring of the St. Lawrence & Hudson Railway; and (b) your belated attempt to invoke Section 11 arbitration under the New York Dock procedures is untimely. Section 11 of the New York Dock labor protective conditions specifically state that "**within 20 days after the dispute arises**, it may be referred by either party to an arbitration committee." 360 ICC 60, 87 (1979) (emphasis added). This dispute arose many months ago, and your request for referral to arbitration was not made until September 5, 2002.

Very truly yours,

Cathryn S. Frankenberg
Assistant Vice President
Labor Relations & Human Resources - US

November 1, 2002

Ms. Cathryn S. Frankenberg
Assistant Vice President - Labor Relations
Canadian Pacific Railway Company
P. O. Box 530
Minneapolis, MN 55440

Dear Ms. Frankenberg:

This will acknowledge your letter of October 18, 2002, Re: September 25, 2002 letter, in which you reject arbitration under your interpretation of Article I, Section 11 of the New York Dock protective conditions (NYD).

Without reiterating my previous statements regarding the customary on-property handling of all clerical claims and grievances it appears an alternative manner for dealing with this matter is the establishment of a procedural/merits board. Such a board will first consider arguments over procedural issues and if finding that none exist, then would proceed with hearing the merits arguments and rendering a decision.

Such a board would satisfy the requirements of §11 by insuring my rights under the mandatory arbitral procedures of NYD and consideration of your assertions regarding timeliness. My suggestions for a neutral to serve on such a board remain the same.

Please advise.

Yours truly,



Karen Cline
15128 Gage Street
Taylor, Michigan 48180