

LEONARD, STREET AND DEINARD

PROFESSIONAL ASSOCIATION

September 11, 2002

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MAIL
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Diane P. Gerth
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206205

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington DC 20423

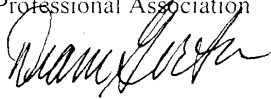
**Re: Finance Docket No. 34004, Canadian Pacific Railway Company and
Napierville Junction Railway Company – Corporate Family Transaction – St.
Lawrence & Hudson Railway Company Limited**

Dear Mr. Williams:

Enclosed for filing in the above-captioned proceeding please find the original and ten (10) copies of the Verified Statement of Murray Ross. These copies are to replace the faxed copy of this document that was filed with your office on September 6, 2002.

Very truly yours,

LEONARD, STREET AND DEINARD
Professional Association



Diane P. Gerth
DPG:km

cc: Karen Cline

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BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

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STB Finance Docket No. 34004

CANADIAN PACIFIC RAILWAY COMPANY AND NAPIERVILLE JUNCTION RAILWAY
COMPANY – CORPORATE FAMILY TRANSACTION – ST. LAWRENCE & HUDSON
RAILWAY COMPANY LIMITED

VERIFIED STATEMENT OF MURRAY ROSS

1. My name is Murray Ross. I am employed by Canadian Pacific Railway as Manager, Billing & Border Services. In my position, I oversee the border services function that Canadian Pacific provides for its freight shippers who move goods across the United States/Canadian border. The border services team has responsibility to ensure that the proper transborder documentation (electronic or paper) is presented to US or Canada Customs prior to train arrival at a border port of entry. In this regard, our goal is to ensure that train and shipment dwell at the border is kept to a minimum, while meeting the needs of US and Canada Customs or other Government agencies.
2. Until February, 2002, CPR's customs and border service work had been performed in several locations including Winnipeg, Manitoba, Canada and at border crossings, including Detroit, Michigan. In 2001, CPR determined that operational efficiencies and cost savings would be achieved if the functions that were being provided at several locations were to be consolidated at one central location. Based upon internal discussions, it was determined that the

border services functions would be consolidated in Winnipeg, Manitoba. This would result in the elimination of the positions that had been based in Detroit, Michigan.

3. In October 2001, employees in the Border Services Group were given notice that the functions currently being performed at three Canadian Pacific locations would be relocated to a single location at Winnipeg, Manitoba. A copy of the notice given to the president of the union representing the border services employees in Detroit is attached to this Verified Statement as Exhibit A.

4. As a result of the October 15, 2001 notice, CPR began negotiations with the United Steel Workers Union Local 1976, the union representing the employees in Detroit. CPR and the union sought to reach an Implementing Agreement that would provide severance benefits for those affected employees. Those negotiations began in late 2001.

5. On January 14, 2002, an Implementing Agreement was entered into between Canadian Pacific Railway and the Steelworkers Union Local 1976. A copy of the signed agreement is attached to this Verified Statement as Exhibit B. The purpose of the agreement was to implement the transfer of work involving customs and related duties from Detroit, Michigan to Winnipeg, Manitoba under Article 3, Section 2 of Appendix E of the Collective Bargaining Agreement between the Canadian Pacific and the United Steel Workers and to provide benefits for those employees that would be affected by the work transfer. Under the Implementing Agreement, employees were entitled to either a lump sum separation payment based upon years of service or a supplemental unemployment allowance that included health and welfare coverage.

6. Following the parties' Implementing Agreement, the bulletin announcing the abolition of four positions in the Detroit facility was issued. A copy of that bulletin is attached hereto as Exhibit C.

7. During 2001 and early 2002 Karen Cline was employed as a border services worker at CPR's Detroit facility. She was one of those individuals whose position was abolished when the work functions were relocated to Winnipeg. Pursuant to the Implementing Agreement entered into with her union, Ms. Cline accepted the terms of that agreement. Attached hereto as Exhibit D is the February 12, 2002 letter to Ms. Cline wherein she agreed to a severance package. This package included monthly sums payable to her in the amount of \$1,470.59 for a period of 34 months. She was entitled to continue her benefit plan coverage during that period.

8. According to the records of Canadian Pacific, Ms. Cline continues to receive those benefits on a monthly basis and will do so until late 2004.

9. CPR's border services reorganization came about primarily as a result of internal examinations of ways to streamline operations and improve customer service, including an examination of the levels of personnel and coordination we observed in our competition in performing similar functions. By consolidating operations at a central point and using newly available technology, CPR felt that it could improve its operations. It was clear to us that a streamline of those functions and some consolidation would produce efficiencies within the organization. It was from that basis that the decision was made to consolidate the border services function in Winnipeg, Manitoba.

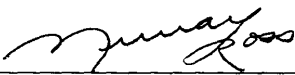
10. I am aware that Ms. Cline is claiming that she is entitled to labor protective benefits under New York Dock Railway-Control-Brooklyn Eastern District, 306 ICC, 60 (1979), as the result of a corporate reorganization involving the St. Lawrence & Hudson Railway Company

Limited, the corporate name for CPR's eastern Canada railroad operations from 1996 through 2000. While I am generally aware that in late 2000, CPR embarked on corporate restructuring that resulted in the eastern Canada properties being amalgamated back into the CPR corporate structure, those decisions and actions were separate from the personnel and operational changes the Border Services group undertook in late 2001.

11. In my role as Manager, Billing & Border Services, I oversee personnel and functions relating to border services. I have no function or input on corporate structure determinations for Canadian Pacific Railway or any of its subsidiaries. I was in no way involved in the decision to bring the St. Lawrence & Hudson corporate structure back into the fold of its parent corporation Canadian Pacific Railway, and the decisions I made as to the structure and management of my group were unrelated to corporate status changes.

12. I, Murray Ross, Canadian Pacific Railway Company, verify under penalty of perjury under the laws of the United States of America, that I have been authorized by Canadian Pacific Railway to verify and file with the Surface Transportation Board the foregoing statement; that I know the contents thereof and the facts asserted therein; that I declare that the foregoing is true and correct.

Dated: SEP. 5/2002



Murray Ross

Manager, Billing & Border Services