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MEMORANDUM OF AGREEMENT

DATED

MONTREAL, JANUARY 29, 1986

BETWEEN

CANADIAN PACIFIC LIMITED  
 DOMINION ATLANTIC RAILWAY COMPANY  
 QUEBEC CENTRAL RAILWAY COMPANY  
 TORONTO, HAMILTON AND BUFFALO RAILWAY COMPANY  
 ESQUIMALT AND NANAIMO RAILWAY

AND

CANADIAN DIVISION BROTHERHOOD RAILWAY CARMEN  
 OF THE UNITED STATES AND CANADA

RE:

APPLICATION OF WAGE INCREASES, ANNUAL VACATIONS, DENTAL AND  
 EXTENDED HEALTH CARE PLANS, AND OTHER CHANGES

COVERING THE YEARS 1985 AND 1986

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MEMORANDUM OF AGREEMENT

PREAMBLE

IT IS HEREBY AGREED that the existing collective agreement between the parties signatory hereto is amended to conform with the following provisions of this Agreement, with the exception of Article III hereof.

ARTICLE I - WAGES

1. Effective January 1, 1985, all basic hourly rates of pay will be increased by 4% calculated on basic rates of pay in effect December 31, 1984.

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2. Effective January 1, 1986, all basic hourly rates of pay will be increased by 4% calculated on basic rates of pay in effect December 31, 1985.

3. Shift Differentials:

Effective February 1, 1986, amend Shift Differentials provision to read:

"Employees whose regularly assigned shifts commence between 1400 and 2159 hours shall receive a shift differential of 30 cents per hour, and employees whose regularly assigned shifts commence between 2200 and 0559 hours shall receive a shift differential of 35 cents per hour. Overtime shall not be calculated on the shift differential nor shall the shift differential be paid for paid absence from duty such as vacations, general holidays, etc."

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ARTICLE II - ANNUAL VACATIONS

The annual vacation provisions contained in Section 1 of Rule 47 of the existing Collective Agreement between the parties signatory hereto are amended as follows:

A. (6-Week Provision)

"47.1.6 Effective January 1, 1985, subject to the provisions of Note 4 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 28 years and has completed at least 7,000 days of cumulative compensated service, shall have his vacation scheduled on the basis of one working day's vacation with pay for each 8 1/3 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 30 working days. 6/29

NOTE (4A): An employee covered by Rule 47.1.6 will be entitled to vacation on the basis outlined therein if on his twenty-ninth or subsequent service anniversary date he achieves 7,250 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Rule 47.1.5. Any vacation granted for which the

employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

Note (4B): Employees entitled to additional vacation in 1985 as a result of the foregoing provision shall have such vacation added to their 1986 entitlement.

In the scheduling of the 1986 vacations to the employees concerned, the Company will have the option of applying Rule 47.1.7 in the following manner :

- (i) Scheduling an employee for five weeks' vacation with the employee being paid for the remaining vacation at pro rata rates, or
- (ii) splitting the vacation on the basis of five weeks and the remaining vacation."

B. (5~~4~~Week Provision)

"47.1.5 Effective January 1, 1986, subject to the provisions of Note 3 below, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 19 pars and has completed at least 4,750 days of cumulative compensated service, shall

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have his vacation scheduled on the basis of one working day's vacation with pay for each 10 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 25 working days; in subsequent years, he will continue vacation entitlement on the foregoing basis until qualifying for additional vacation under Rule 47.1.6.

NOTE (3): An employee covered by Rule 47.1.5 will be entitled to vacation on the basis outlined therein if on his twentieth or subsequent service anniversary date he achieves 5,000 days of cumulative compensated service; otherwise his vacation entitlement will be calculated as set out in Rule 47.1.4. Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving."

### ARTICLE III - NEGOTIATIONS DURING TERM OF AGREEMENT

The parties to the Collective Agreement covered by this Memorandum of Agreement confirm the desirability of settling by mutual agreement, during the term of this Memorandum of Agreement, any matter that is a source of dissatisfaction to either party, the settlement of which requires a change in such Collective Agreement, and agree to take every reasonable means to resolve any such matter during the term of this Memorandum of Agreement.

If any such matter or matters cannot be settled by mutual agreement during the term of **this Memorandum of Agreement**, such matter or matters may be progressed during the next open period of the collective agreement in accordance with the following conditions.

The issues #at the bargaining agent signatory hereto may desire to raise during the next open period of the collective agreement in association with other bargaining agents in concerted negotiations can be segregated into the following categories:

- (1) **Common demands** advanced by all bargaining agents entering into concerted negotiations. Examples: wages, vacations, general holidays, health and welfare, etc.
- (2) A **demand** submitted by an individual bargaining agent which is not, and could not be, of **common** interest to all the other bargaining agents engaged in concerted negotiations.
- (3) A **demand** submitted by an individual bargaining agent which, by its **nature**, is of **common** interest to all bargaining agents and, therefore, **could** have been made a part of the **common demands** referred to in Item 1.

**Any** individual bargaining agent that desires during the next open period of the collective agreement to enter into concerted negotiations with one or more other bargaining agents shall, in addition to the **common demands specified in Item 1**, be entitled to include in such concerted negotiations, and subsequent conciliation proceedings, if necessary, any individual demand or demands that

can properly be classified under Item 2. This entitlement shall also apply to any **individual railway**.

**If, during** the time limit specified in *the* last paragraph of **this** Article, an individual bargaining agent has raised an issue or **issues** coming **within** the scope of Item 3 above, and **such** bargaining agent desires during the next open period to be associated with **other** bargaining agents in **concerted** negotiations, **and** subsequent **conciliation** proceedings, if **necessary**, then **such** bargaining agent **will** be required to withdraw the **Item 3** issue. If, however, a bargaining agent wishes to progress a matter coming within the **scope** of **Item 3** above, **such** bargaining agent must disassociate itself from the other bargaining agents that may be negotiating in concert and negotiate **independently** with **such** railway in respect of all of **its** demands,

**Any** item to be progressed under **this** Article must be submitted by the one party to **the** other no later than March 31, **1986**.

IV • USE OF THE AUTOMOBILE

Effective January 1, 1986, where an automobile mileage allowance is paid, such allowance shall be 21 cents per kilometer.

ARTICLE V • LIFE INSURANCE UPON RETIREMENT

Amend Life Insurance Upon Retirement provision to read:

**"An employee who** retires from the service of **the** Company **subsequent** to July 1, 1985, will, provided he is **fifty-five** years of age or

over and has not less than ten years' **cumulative compensated service**, be entitled, upon retirement, to a \$3,500.00 life insurance policy, fully paid up by the **Company**."

**ARTICLE VI \* EMPLOYEE BENEFIT PLAN \* LIFE INSURANCE,  
SICKNESS BENEFITS AND MATERNITY BENEFITS**

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**The** provisions of Article II of the **Employee Benefit Plan Supplemental Agreement** dated March 20, 1975 as amended from time to time, is to be further amended in respect of **employees governed by this Memorandum of Agreement** to conform with the following:

1. Life Insurance

(a) Effective January 1, 1985, the **group life insurance coverage** will be increased from \$13,000 to \$14,000 for employees who have compensated service with the **Company** on or subsequent to January 1, 1985, subject to the terms of the contract with the underwriters. 72/014

(b) Effective January 1, 1986, the **group life insurance coverage** will be increased from \$14,000 to \$15,000 for employees who have compensated service with the **Company** on or subsequent to January 1, 1986, subject to the terms of the contract with the underwriters. 72/015(4) 8601

2. sickness Benefits

(a) Effective January 1, 1985, the sickness benefit payments *for claims*



which originate on or after that date are as follows:

<u>Weekly Base Pay</u>	<u>sickness Benefit</u>
\$ and	66 2/3% of base pay up to a benefit of \$345. 6
Less than 12	\$80.00 or 75% of weekly base pay, whichever is less.

A claimant in receipt of Unemployment Insurance Sickness Benefits will have such benefits supplemented to equal his Sickness Benefit payment.

- (b) Effective January 1, 1986, the sickness benefit payments for claims which originate on or after that date are as follows:

<u>Weekly Base Pay</u>	<u>sickness Benefit</u>
\$120.01 and over	70% of base pay up to a maximum benefit of \$370.00. 74/070270 d, 86 01
Less than \$120.01	\$80.00 or 75% of weekly base pay, whichever is less.

A claimant in receipt of Unemployment Insurance Sickness Benefits will have such benefits supplemented to equal his Sickness Benefit payment.

- (c) Effective January 1, 1986, or as soon thereafter as it may be arranged, the Weekly Indemnity Plan shall be put on an Administrative Services Only (ASO) arrangement and the contract will be between the Railways and the service organization.

### 3. Maternity Benefits

Effective February 1, 1986, an employee, with compensated service with the Company on or subsequent to that date, on maternity leave who is in receipt of Unemployment Insurance Maternity Benefits will have such

benefits supplemented for ~~the~~ first fifteen weeks to equal ~~the~~ Sickness Benefits applicable pursuant to the ~~Employee~~ Benefit Plan Supplemental Agreement. 57/115070

**NOTE:** Supplemental payments pursuant to Items 2(a), 2(b) and 3 above are subject to ~~Canada~~ Employment and Immigration Commission approval.

**ARTICLE VII \* DENTAL PLAN**

The Dental Plan Agreement dated ~~November 30,~~ 1979 (as amended from time to time) will be further ~~amended~~ in respect of employees governed by this Memorandum of Agreement to conform with the following:

- (a) Effective with treatment ~~commencing~~ on or after January 1, 1985, covered expenses Will be defined as the ~~mounds~~ amounts in effect on the day of such treatment, as specified in ~~the~~ relevant provincial Dental Association Fee Guides for the year 1985.
- (b) Effective with treatment ~~commencing on or~~ after January 1, 1986, covered expenses will be defined as the ~~amounts~~ amounts in effect on the day of such treatment, as specified in the relevant provincial ~~Dental~~ Dental Association Fee aides for the year 1986.
- (c) Effective ~~February 1,~~ 1986, the payment made monthly to the Trustee as set out in Article II.2 (a) and (b) of ~~the~~ Dental Plan will be discontinued and the cost of the Dental Plan will be paid out of ~~the~~ 702/999 8501-8601

Dental Plan Surplus referred to in Article XI of the Dental Plan Agreement.

- (d) **Following** the exhaustion of the Dental Plan Surplus referred to in Article XI of the Dental Plan Agreement, the **cost** of the Dental plan **will** be borne by the Company.

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- (e) Effective January 1, 1986, or as soon thereafter as it may be arranged, the various contracts and policies, attached as Appendices to the Dental Plan Agreement, will be amended in conformity with (a), (b), (c) and (d) above.

**ARTICLE VIII # EXTENDED HEALTH CARE  
PLAN/ BENEFIT PLANS**

<sup>70K/999</sup>  
The Extended Health Care Plan Agreement dated December 9, 1982, will be amended in respect of employees covered by this Memorandum of Agreement to conform with the following:

(a) **Layoff Coverage**

Effective January 1, 1986, in the event of an Eligible Employee being laid off, Extended Health Care coverage will continue to and including the last day of the month in which layoff occurred.

(b) **Mammary Protheses # Coverage**

Effective January 1, 1986, Eligible Expenses as defined in the Extended Health Care plan will include charges for mammary protheses.

(c) Maximum Lifetime Benefits

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Effective January 1, 1986, the **Maximum Lifetime Benefit** is increased to **\$30,000** per person for Eligible **Employees** and **Dependents**.

(d) Nursing Home Coverage

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Effective January 1, 1986, a provision for **Nursing Home Coverage**, as set out below, will be included. Such coverage will be subject to the **coinsurance**, **maximum lifetime benefit**, and deductible **provisions** of the Plan.

Conditions of the **Nursing Home** provision and amounts covered:

i) Charges for confinement in a convalescent hospital in the person's province of residence when ordered by a doctor, provided:

- \* it is preceded by at least 5 consecutive days of hospital confinement;
- \* it commences within 14 days after termination of the person's confinement in a hospital; and
- \* it is for rehabilitation and not primarily for custodial care.

ii) The maximum amount payable will be \$20.00 per day for each period of disability for a maximum of 120 days of confinement.

(e) Vision Care & Coverage 106/999

Effective January 1, 1986, a provision for Vision Care coverage as set out below will be included in the **Extended Health Care Plan**. Such coverage will be subject to the **coinsurance, maximum lifetime benefit, and deductible provisions** of the Plan. The coverage will consist of the following:

- i) **Contact lenses or lenses** (including shatterproof lenses) and **frames for eyeglasses**, including sunglasses, and their replacement provided there is an actual need for change in their magnifying strength. Any device worn for the purpose of eye protection only and not for vision correction is excluded. Supplies must be prescribed in writing by an ophthalmologist or a licensed optometrist and must be dispensed by an ophthalmologist, a licensed optometrist or a qualified optician. The maximum amount payable will be \$100 once in any 12-month period for persons under age 18 and once in any 24-month period for persons age 18 and over.
  
- ii) Services of an ophthalmologist or a licensed optometrist. The maximum amount payable in any two consecutive Benefit Years will be \$25 for each person.

(f) Effective January 1, 1986, or as soon thereafter as it may be arranged, *the* various contracts and policies, attached as **Appendices** to the **Extended Health Care Plan Agreement**, will be amended in conformity with this Article VIII.

**ARTICLE IX # BENEFIT PLANS # GENERAL**

The parties agree to amend the **Employee Benefit Plan Supplemental Agreement**, the **Dental Care Plan Agreement** and the **Extended Health Care Plan Agreement** so that **such** agreements will be **between** each individual **Railway Company** and its **Unions**, and that the contracts pursuant to **such Plans** will be **between** the particular **Railway Company** and the Underwriter or Service organization involved. The parties will meet as soon as possible following the date of signing of **this Memorandum of Agreement** to give effect to this provision,

**ARTICLE X # BASIC EXTENDED HEALTH CARE PLAN FOR FUTURE RETIREES**

Effective November 1, 1985, a basic extended health care plan is introduced, fully paid by the **Company**, for employees who retired on or after **November 1, 1985**. Surviving **spouses**, as defined in the Canadian Pacific Limited Pension Plan, of the aforementioned employees are covered by the basic extended health care plan. The general provisions of the **basic** extended health care plan are as outlined in Appendix "A".

**ARTICLE XI # CONTRACTING OUT**

The letter on contracting out dated **March 5, 1982**, is replaced by the letter addressed to **Mr. J.M. Kearns**, dated **December 15, 1985**, which is attached hereto as Appendix "B".

**ARTICLE XII \* EMPLOYMENT** ||

Effective January 29, 1986:

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- a) Subject to the provisions of this Article, and in the application of Article 8.1 of the Job Security Agreement, an employee will have Employment Security when he/she has completed eight years of cumulative compensated service with the Company. An employee on laid-off status on January 29, 1986 will not be entitled to Employment Security under the provisions of this Article until recalled to service.
- b) An employee who has Employment Security under the provisions of this Article will not be subjected to layoff as the result of a change introduced through the application of Article 8.1 of the Job Security Agreement.
- c) An employee who has Employment Security under the provisions of this Article and who is affected by a notice of change issued pursuant to Article 8.1 of the Job Security Agreement, will be required to exercise his/her maximum seniority right(s), e.g., location, area and region, in accordance with the terms of the collective agreement applicable to the employee who has Employment Security.
- d) An employee who has Employment Security under the provisions of this Article, and is unable to hold a position on his/her seniority district, e.g., at the location, area and region, will be required to exercise the following options provided he/she is qualified or can be qualified in a

reasonable period of time to fill the position involved, In filling vacancies, an **employee who has Employment Security** must exhaust such available options, initially on a **local** basis, then on his/her seniority district:

- (i) fill an unfilled **permanent** vacancy within the jurisdiction of another seniority **group** and the same Collective Agreement;
- (ii) there being none, fill an unfilled **permanent** vacancy within the jurisdiction of **another** seniority group within **another** Collective **Agreement** and the same **Union**;
- (iii) there being **none**, fill **an** unfilled permanent vacancy within *the* jurisdiction of **another** seniority **group** within the traditional Shopcraft **group** (including the I.B.F.,&O,)) **and**
- (iv) there being **none**, fill an unfilled **permanent** vacancy in a position which is not covered by a collective agreement,

**NOTE:**

In the application of this **Item** (iv) and notwithstanding **the** provisions in the collective ~~agreement~~ to the contrary, **an employee who has Employment Security while employed** on a position which is **not** covered by a collective **agreement** will remain, and continue to accumulate seniority, on the list from which transferred,



- e) **An employee who has Employment Security and who transfers from one seniority group to another** under the provisions of paragraph (d) hereof will, notwithstanding any provision of the collective ~~agreement~~ **to the contrary, retain and continue to accumulate** seniority in *the group* from which transferred **and** will be subject to recall **to his/her former seniority group** when work is available in such seniority *group*.
- f) **An employee who has Employment Security and who fails to comply** with the provisions of this Article will lose **his/her Employment Security, Such employee** will, **however, be entitled to such other benefits under the Job security Agreement** for which he/she is eligible.
- g) **An employee who has Employment Security who has** his position abolished and is **unable to hold work** due to a lack of qualifications, will be trained for another position within his seniority *group* and, failing that, will be trained **(if necessary) in order** to fill a position in **keeping** with the provisions **of** this Article. Training **(if necessary) will be provided for** a position for which he **has** the suitability and adaptability to **perform** the **duties of that position.** Such **employee** will receive the 40 hour **straight time** pay associated with **his last** railway classification during his period of training (hourly rated employees, 40 **X the basic** hourly rate; seasonal and **spare employees, 100%** of the average weekly earnings over *the eight weeks preceding layoff*).
- h) The parties **signatory** to this Memorandum of Agreement shall meet within 60 **days** following the signing of this Memorandum of Agreement to **commence**

negotiations for the purpose of revising seniority rules that would assist in enhancing employment opportunities for employees who have Employment Security under the provisions of this Article.

- i) The parties hereto agree to meet within 60 days following signing of this Memorandum of Agreement to consolidate the Employment Security provisions of this Memorandum of Agreement into an appropriate Memorandum of Agreement. The provisions of such Memorandum of Agreement shall be incorporated in the Collective Agreement identified in the Preamble to this Memorandum of Agreement.
- j) The letter attached as Appendix "C" forms a part of this Article XII.

ARTICLE XIII • PASSES

Effective February 1, 1986, free transportation privileges of Canadian Pacific Limited employees represented by the bargaining agent signatory hereto on VIA-operated trains will be discontinued. The collective agreements will be amended to eliminate any reference to pass privileges, free transportation, etc., on VIA-operated trains.

( XIV • FFAI DI )

Effective with the date of signing this Memorandum of Agreement, add the following Note to Rule 46.4(c) of the General Holiday provisions contained in the collective agreement.

Note: provided that an employee is available for work on the general

holiday, absences from scheduled shifts or tours of duty because of bona fide injury, hospitalization, illness for which the employee qualifies for weekly sickness benefits and authorized maternity leave will be included in determining the 12 shifts or tours of duty referred to in this Clause (c)."

**ARTICLE XV \* BEREAVEMENT LEAVE**

Effective February 1, 1986, delete Rule 45 of the collective agreement between the parties signatory hereto and substitute the following:

"45.1 Upon the death of an employee's spouse, child, parent, brother, sister, step\*parent, father\*in\*law or mother\*in\*law, the employee shall be entitled to three days' bereavement leave without loss of pay provided he has not less than three months' cumulative compensated service. It is the intent of this rule to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted." 6/3/81

2. For the purposes of this Rule eligible spouse is defined as follows:

"45.2 the person who is legally married to the employee and who is residing with or supported by the employee, provided that if there is no legally married spouse that is eligible, it means the person that qualifies as a spouse under the definition of that word in Section 2(1) of the Canadian Human Rights Benefit Regulations, so long as such person is residing with the employee."

**ARTICLE XVI \* UNION DUES DEDUCTION ON T4'S**

1. The Company will include Union Dues Deductions on employees' T4 slips, starting with the taxation year 1987, subject to the

following conditions:

- (i) **The amount of union dues deducted must be "reportable union dues" as defined by the Income Tax Act. That is, the union dues deducted by the Company must not contain amounts which are considered unreportable by the Income Tax Act,**
  - (ii) **the union must provide a finalized certification not more than 15 days following receipt of union dues deduction data from the Company.**
  - (iii) **To meet the deadline for issuance of T4's, the reporting period for union dues deductions will be changed from calendar year to a 12 month period from December to November. This change is subject to the concurrence of Revenue Canada and Revenue Quebec.**
  - (iv) **Only union dues' deducted directly through the payroll system will be reported on T4's. The union will be responsible for reporting any union dues transactions outside the Company's control, such as adjustments between unions, direct pay by employee, and direct reimbursement to employee.**
- 2. If the union wishes to opt for this provision it will so advise the Company before 1 November 1986.**

**ARTICLE XVII - THREE DEMANDS OF APRIL 8, 1985**

These demands are resolved on the basis of the letters attached as Appendices "D" and "E".

**ARTICLE XVIII - COVERAGE**

Employees who were in the service of the Company on December 15, 1985, shall be entitled to any amount of increased compensation that may be due them under the terms of this Memorandum of Agreement for time worked subsequent to December 31, 1984.


**ARTICLE XIX - GENERAL**

1. This Agreement is in full settlement of all demands served by, or on behalf of, the parties signatory hereto before on or subsequent to October 1, 1984.
  
2. The collective agreement referred to in the Preamble hereof, as revised to conform with this Memorandum of Agreement, shall remain in effect until December 31, 1986, and thereafter, subject to three months' notice in writing from either party to the collective agreement of its desire to revise, amend or terminate it. Such notice may be served any time subsequent to September 30, 1986.

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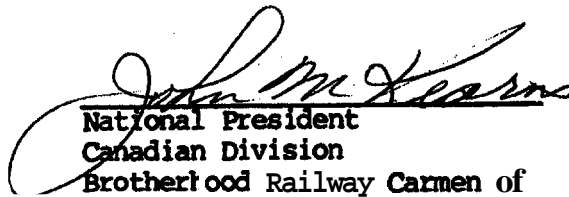
SIGNED AT MONTREAL, QUEBEC, THIS 29TH DAY OF JANUARY 1986.

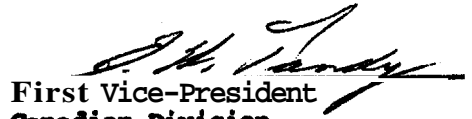
FOR THE COMPANY:

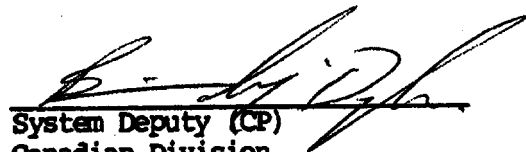
  
Assistant Vice-President  
Industrial Relations  
CP Rail

  
Manager, Labour Relations  
CP Rail

FOR THE EMPLOYEES:

  
National President  
Canadian Division  
Brotherhood Railway Carmen of  
the United States and Canada

  
First Vice-President  
Canadian Division  
Brotherhood Railway Carmen of  
the United States and Canada

  
System Deputy (CP)  
Canadian Division  
Brotherhood Railway Carmen of  
the United States and Canada

EXTENDED HEALTH CARE PLAN (RETIRES) - GENERAL PROVISIONS

COVERAGE:

Major Medical Benefit

- Deductible:                   . per calendar year; \$50 single, \$100 family.
- Co-insurance:               . 80%.
- Maximum:                     . \$15,000 lifetime per individual.
- Covered Expenses:         . Incurred in Canada only.
- Eligible expenses:       . **Drugs** (including oral contraceptives), **sera** and **injectibles** requiring a written prescription of a physician or dentist,
- . Emergency hospital and medical care outside *the* province of **residence**.
- . services of a registered nurse (annual maximum of \$3,000 per individual),
- . Diagnostic and x-ray services, blood and blood plasma, oxygen and rental of equipment for its administration.

COVERAGE: (Cont'd)

Major Medical Benefit

- . Purchase of durable medical equipment, crutches, artificial limbs etc., including elastic support stockings and orthopaedic shoes.
- . Rental or purchase of a wheelchair, hospital bed or iron lung.
- . Licensed ambulance including air ambulance to and from the nearest hospital.
- . Dental treatment for accidental injury to natural teeth.

Further details on the eligible **expenses** under the major medical benefit are as follows:

- . Drugs, sera, and injectibles available only by prescription when prescribed by a **physician** or dentist, and dispensed by a **pharmacist, physician or dentist**. Supplies of a non-prescription nature required as a result of a **colostomy and/or for the treatment** of cystic fibrosis, diabetes and parkinsonism (also eligible),
- . Hospital charges incurred for emergency treatment (in Canada) outside the **employee's province of residence, including room and board and special hospital charges** for 180 days. Coverage to include the difference between the benefit payable by the provincial hospital plan and the actual cost of ward accommodation outside the province of residence,
- . Professional services of a physician, where permitted by law. Covered **expenses** to be generally **restricted to emergency treatment** outside the claimant's province of residence and limited to reasonable and customary charges for the area in which the treatment is rendered.
- . professional services of a **licensed** physiotherapist when medically required,
- . Professional services of a Registered Graduate Nurse (R.N.) or, when unavailable, a Registered Nursing Assistant (R.N.A.). Coverage to be provided when the claimant is not confined to a hospital as the expense is covered by medicare in such a case, Any such nurse or attendant must not be a close relative of the patient. (Annual maximum of \$3,000 per individual).



- Diagnostic **procedures**, radiology, blood transfusions, and **oxygen** including the **equipment** necessary for its **administration**.
- **Purchase** of trusses, braces, **crutches**, artificial limbs or eyes, elastic support stockings (up to a **\$50** per year maximum) and orthopaedic shoes with certain limits.
- Rental or purchase (at carrier's option) of a wheelchair, hospital bed or iron lung.
- **Licensed ambulance** service to and from a local hospital, including emergency transportation of a claimant by air **ambulance** or any other vehicle normally used for public transportation, to the nearest hospital in which *the* required treatment can be provided.
- Dental treatment required as a direct result of accidental injury to natural teeth provided treatment is rendered within 6 months of the date of the accident, if possible,

**APPENDIX "B"**

**CANADIAN PACIFIC LIMITED**

**December 15, 1985**

**Mr. J.M. Kearns**  
National President, Canadian Division  
Brotherhood Railway ~~Carmen~~ of the  
United States and **Canada**  
1729 Bank St., Room 306  
**Ottawa, Ontario**  
**K1V 7Z5**

**Dear Sir:**

This has **reference** to the award of the Arbitrator, the Honourable ~~Ernest~~ M. Hall, dated December 9, 1974, concerning the contracting out of work,

In accordance with the provisions as set out on page 49 of the above-mentioned award, it is agreed that work presently and normally performed by employees represented by the bargaining agent signatory to the Memorandum of Settlement dated December 15, 1985, will not be contracted out except:

- (1) when technical or managerial skills are not available from within the Railway; or
- (2) where sufficient employees, qualified to perform the work, are not available from the active or laid-off employees; or
- (3) when essential equipment or facilities are not available and cannot be made available from Railway-owned property at the time and place required; or
- (4) where the nature or volume of work is such that it does not justify the capital or operating expenditure involved; or
- (5) the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property; or
- (6) where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.

The conditions set forth above will not apply in emergencies, to items normally obtained from manufacturers or suppliers nor to the performance of warranty work.

It is further agreed that at a mutually convenient time at the beginning of each year and, in any event, no later than January 31 of each year, representatives of the Union will meet with the designated officers to discuss the Company's plans with respect to contracting out of work for that year. In the event Union representatives are unavailable for such meetings, such unavailability will not delay implementation of Company plans with respect to contracting out of work for that year.

In addition, the Company will advise the Union representatives involved in writing, as far in advance as is practicable, of its intention to contract out work which would have a material and adverse effect on employees, except in case of emergency, such notice will be no less than 30 days.

Such advice will contain a description of the work to be contracted out; the anticipated duration; the reasons for contracting out and, if possible, the date the contract is to commence. If the General Chairman, or equivalent, requests a meeting to discuss matters relating to the contracting out of work specified in the above notice, the appropriate Company representative will promptly meet with him for that purpose.

Should a General Chairman, or equivalent, request information respecting contracting out which has not been covered by a notice of intent, it will be supplied to him promptly. If he requests a meeting to discuss such contracting out, it will be arranged at a mutually acceptable time and place.

Where a Union contends that the Company has contracted out work contrary to the foregoing, the Union may progress a grievance by using the grievance procedure which would apply if this were a grievance under the collective agreement. Such grievance shall commence at the last step of the grievance procedure, the Union officer submitting the facts on which the Union relies to support its contention. Any such grievance must be submitted within 30 days from the alleged non-compliance.

Yours truly,

(signed D.V. Brazier)

Assistant Vice-President,  
Industrial Relations

December 15, 1985

Mr. J.M. Kearns  
National president  
Canadian Division  
Brotherhood Railway Carmen of  
the United States and Canada  
Room 316  
1729 Bank Street  
OTTAWA, Ontario  
K1V 7Z5

Dear Mr. Kearns:

This is in connection with the recently concluded negotiations wherein the parties agreed to implement an employment security program covering employees with eight or more years of service affected by Company-initiated Article VIII changes. As part of the settlement; the parties also agreed to closed period discussions with respect to implementation of certain features of the employment security program.

In the discussions leading up to this closed period commitment, the Associated Railway Unions reiterated a point that had been made to the Company throughout the negotiations. This was the belief of the Shopcrafts that Article VIII notices are not being served in instances where they should be, In this respect, the Unions alleged that situations arise where individuals are laid off as a result of non-Article VIII changes with some expectation of recall, but then are not recalled since in the interim, technological, operational or organizational changes are effected at the work place, the result of which is that their old positions become permanently redundant. Because such individuals were not adversely affected in the first place by an Article VIII change and were never given a notice, they would not then be covered by the employment security provisions.

During the discussions, the Company stated that it was prepared to look at the above concerns of the Unions as they relate to an employment security program covering solely Article VIII changes. The Unions, in

their turn, did not object per se to an employment security program so oriented. However, they did request the establishment of some means of investigating the types of situations identified in the paragraph above.

As a result of this, the Company agreed that the closed period discussions would also encompass this concern of the Unions. The Company therefore stated that where the Unions could identify specific situations where they felt that individuals would have been recalled to work, except for an intervening Article VIII change, the parties would so investigate. It was agreed that such investigations would be conducted by Company and Union officers at the System level.

If following such investigation it is determined that there are employees continuing on layoff directly as a result of an intervening Article VIII change of the nature described above, then the parties agree that all the rights and benefits accruing to employees adversely affected by an Article VIII change will apply to such individuals. Likewise, to the extent relevant, the employment security provisions will also apply.

If the parties, following an investigation, are unable to agree that the employees are continuing on layoff directly as a result of an intervening Article VIII change, then the Union may pursue the issue in the manner provided for in Article 3.8 of the Job Security Agreement.

If you concur with the above, please so signify.

Yours truly,

(signed D.V. Brazier)

Assistant Vice-President,  
Industrial Relations

I CONCUR:

(signed J.M. Kearns)

National President  
Canadian Division  
Brotherhood Railway Carmen of  
the United States and Canada

December 15, 1985

Mr. J.M. Kearns  
National President, Canadian Division  
Brotherhood Railway Carmen of the  
United States and Canada  
1729 Bank Street, Room 306  
Ottawa, Ontario  
K1V 7Z5

/-"-

Dear Mr. Kearns:

This has reference to our discussions with respect to the inspection and testing of air brakes on freight and passenger cars and is further to the letter to you of today's date from Messrs. Brazier and Bartley.

During these discussions you expressed concern that, in a number of instances in the past, the Company had permanently reassigned the above duties resulting in adverse effects on employees whom you represent. You further indicated concern that there had not been any discussion between representatives of your organization and Company Officers prior to such changes being implemented. You also expressed a desire to establish a forum to discuss with senior Mechanical Department Officers matters of general interest to the employees you represent.

After carefully considering your comments, this is to advise you that, without prejudice to any such transfers which occurred in the past, any such transfers in future which result in adverse effects on employees which you represent, will be subject to a notice pursuant to Article 8.1 of the Job Security Agreement. As you know, an 'Article 8' notice must be served at least three months in advance of a particular change. This advance notice period will provide an ample opportunity for discussions pursuant to Article 8.4 of that Agreement prior to the effective date of the change,

In addition, senior Mechanical Officers will be pleased to meet with senior Officers of your organization in March and September each year for a general discussion on matters related to the Carmen's organization. This will not preclude meetings at other times if necessary and is subject only to mutual agreement on the actual dates and time.

Finally, I continue to be available to discuss labour relations issues affecting *your* organization with you at **any time.**

**Yours truly,**

**(signed D.V. Brazier)**

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**Assistant Vice-President  
Industrial Relations**

APPENDIX "E"

December 15, 1985.

Mr. J.M. Kearns  
National President, Canadian Division  
Brotherhood Railway Carmen of the  
united states & Canada  
1729 Bank Street, Room 306  
Ottawa, Ontario  
K1V 7Z5

Dear Mr. Kearns:

This has reference to our discussions with respect to the demands served on the Company by your organization on April 8, 1985.

With respect to Demand No. 1, both parties agree that this matter be held in abeyance pending receipt of the actual certification order and "reasons for decision" to be issued by the Canada Labour Relations Board.

With regard to Demands No. 2 and 3, it is understood that at the locations listed in Appendix "A" and for the period from December 15, 1985 to December 31, 1986:

Carmen will be maintained as certified car inspectors at those locations where presently employed as such, pursuant to Section 7(1)(a) of the Schedule, entitled "Railway Freight Car Minimum Inspection and Safety Standards", as attached to Order No. 37228 issued by the Railway Transport Committee on September 26, 1984.

It is further understood that these certified car inspectors will continue to perform the related No. 1 air brake tests on freight trains as are presently being performed by them.

Any proposed changes in the designated locations in Appendix "A" that are subsequently filed by the Company with the Railway Transport Committee shall also be furnished to the Union.



It is our understanding that the foregoing **disposes** of the above-referenced demands. If so, will you please *concur* in the space provided.

Yours truly,

(signed V. mazier)  
Assistant ~~CA~~  
Industrial Relations

(signed G.W. Bartley)  
Chief Mechanical Officer

I CONCUR:

(signed J.F. Kearns)  
J.F. Kearns

APPENDIX "A"

EASTERN REGION

Kentville, N.S.	Schreiber, Ont. (Kimberley/Clark Woodchip only)
Saint John, N.B.	White River (Woodchip)
St. Luc, Que.	/ -
Toronto, Ont. (see Note 1)	Sault Ste. Marie, Ont.
John St. (Toronto), Ont (see Note 2)	London, Ont. (Interchange)
Sudbury, Ont.	Chatham, Ont.
Windsor, Ont.	North Bay, Ont.
Chapleau, Ont. (originating trains only)	

PRAIRIE REGION

Thunder Bay, Ont.	Sutherland, Sask.
Winnipeg, Man.	Moose Jaw, Sask.
Brandon, Man. (local Hydro cars)	Prince Albert, Sask. (Woodchip cars only)

PACIFIC REGION

Edmonton, Alta.	Lethbridge, Alta.
Calgary, Alta.	Cranbrook, B.C.
Revelstoke, B.C.	Nelson, B.C.
Coquitlam, B.C. (see Note 3)	

Note 1: For the purposes of this letter, Toronto, Ont. is Toronto Yard.

Note 2: For the purposes of this letter, John St. (Toronto), Ont. includes Obico, Lambton and Parkdale.

Note 3: For the purposes of this letter, Coquitlam includes Vancouver E & N traffic and transfers.

It is not the intent that the foregoing will result in Certified Car Inspectors at the aforementioned locations being assigned any duties in addition to those which they were performing at each of those locations on the date of this letter.

December 15, 1985.