MEMORANDUM OF AGREEMENT

between

CANADIAN NATIONAL RAILWAY (CN)

- and -

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

Governing

Rates of Pay and Working Conditions for Employees

On

The Northern Quebec Internal Short Line (NQISL)

Dated August 21, 2001

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PREAMBLE

The parties to this Agreement agree that the fundamental objective of the railway, its management and employees is to provide service to its customers in the most efficient manner. This Agreement is to be based on harmonious relationships and cooperation. Any differences must be settled through rational common sense methods. The basis for the relationship between the NQISL and the Unions is one of cooperation for the benefit of the stakeholders of this Agreement.

In order to successfully promote these concepts, the parties have agreed to recognize and make provisions for an orderly system of collective bargaining relations between the NQISL and the Unions, that prompt and orderly resolution of grievances, the effective operation of the NQISL business without interruptions or interference with work, the provisions of the highest quality service to the NQISL's customers in the most efficient manner possible.

The NQISL shall include the following subdivisions:

- Lac St. Jean Subdivision between milepost 0.00 and 204.45;
- Roberval Subdivision between milepost 0.00 and 57.50;
- Cran Subdivision between milepost 0.00 and 133.20;
- Chapais Subdivision between milepost 0.00 and 78.06;
- Chapais Subdivision between milepost 169.4 and 199.1;
- Matagami Subdivision between milepost 0.00 and 61.3;
- Val d'Or Subdivision between milepost 0.00 and 101.2;
- Taschereau Subdivision between milepost 0.00 and 99.00;
- St. Maurice Subdivision between milepost 0.00 and 257.2;
- La Tuque Subdivision between milepost 62.07 and 125.4;
- Joliette Subdivision between milepost 40.10 and 78.08;

Note: The parties hereto acknowledge that amendments, including the addition of subdivisions or parts of subdivisions, may be made to the above list, upon mutual agreement.

ARTICLE 1 — DEFINITIONS

- **1.1** The term "Union" shall mean the duly elected or appointed officer of The Brotherhood of Maintenance of Way Employees.
- **1.2** The term "Representative" of the employee shall mean the duly accredited representative designated by the Union.
- **1.3** The term "NQISL" shall mean the Northern Quebec Internal Short Line.

- **1.4** The use of the word "days" will mean calendar days unless otherwise indicated herein.
- 1.5 In this Agreement, words importing the singular shall include the plural and vice versa where the context requires. The use of such words as "he," "his" and "him" as they appear in the Agreement are not intended to restrict the application of the Agreement of a particular rule to a particular gender, but are used solely for the purpose of grammatical convenience and clarity. Accordingly, words importing the masculine gender shall include the feminine gender where the context requires.

ARTICLE 2 — RECOGNITION

- 2.1 The NQISL recognizes the following Unions as the particular sole bargaining agent for those employees covered under their bargaining certificate, issued by the Canada Labour Relations Board, or Article 21.8;
 - BMWE: all Maintenance of Way employees

<u>ARTICLE 3 — MANAGEMENT RIG</u>HTS

3.1 It is Management's right to determine the means, methods, processes, materials, and schedules of production; to fully utilize its workforce and equipment; and to optimize the efficiency of its operations.

ARTICLE 4 — TERM OF AGREEMENT

- **4.1** Unless otherwise provided this Agreement covers all Maintenance of Way Employees working on the Northern Quebec Internal Short Line.
- 4.2 The term of this Agreement shall be from the date of the ratification until December 30, 2007, and thereafter, unless either party gives notice in writing to the other within 120 calendar days prior to the expiration date hereof of that party's intention its desire to revise, amend or terminate it.
- 4.3 This provision shall not be construed as to constrain the parties to this Agreement from making any changes to or from adding to the scope or application of, or from extending the provisions of this Agreement during the term of this Agreement that are mutually acceptable.
- 4.4 Rules necessary to meet local conditions may be negotiated and made effective, subject in each case to the approval of the General Manager of the NQISL and the System Federation General Chairman and subject to either party having the right to cancel the rules on thirty (30) day written notice.

<u>ARTICLE 5 — NO STRIKES OR LOCK-OUTS</u>

5.1 It is agreed that the NQISL will not lock out any employee covered by this Agreement and the employees' Unions will not authorize, organize or take part in any strike, picketing of the NQISL, work stoppage, slowdown, during the life of this Agreement. The NQISL reserves the right to discipline, including the right to terminate, the employment of any employees taking part in any violation of this provision of the Agreement, subject to the employees or Unions exercising their rights under Article 7.2 of the Agreement starting at Step 2.

ARTICLE 6 — SENIORITY

- 6.1 Seniority lists shall be prepared on each February 28 thereafter annually and posted at each location where covered employees are located and a copy forwarded to all Local/Grievance Chairmen and General Chairmen. Such lists are to be in seniority sequence and will include Company Service date and classification.
- 6.2 Seniority lists shall be open for correction for a period of ninety (90) calendar days on presentation in writing of proof of error by the employee or Union representative to the employee's immediate supervisor.
- **6.3** Except by agreement between the System Federation General Chairman BMWE and the appropriate Company Officer, seniority standing shall not be changed following the ninety day period.
- 6.4 The parties agree to allow employees to hold seniority in more than one Bargaining Unit. Employees working a position in another Bargaining Unit will be required to maintain payments of a Union assessment to their original Bargaining Unit in order to maintain their seniority in that Unit. If they decide not to remit the Assessment, the Bargaining Unit will advise the proper NQISL officer that their name will be removed from all seniority lists of the original Bargaining Unit.
- New employees shall not be regarded as permanently employed by the NQISL until they have completed 90 days actually worked within 24 months of their hiring date. In the meantime, unless removed for cause which, in the opinion of the Company renders them undesirable for its service, employees shall accumulate seniority from the date they entered employment with the Company in the Bargaining Unit.
- **6.6** Except as provided otherwise, employees occupying temporary positions who are awarded a permanent position will be required to fill such position immediately following the award unless they have indicated on their application that they will occupy the permanent position on conclusion of the

temporary job.

- 6.7 The names of employees who have been or are promoted to official or excepted positions with the Company or one of its subsidiaries shall be continued on the seniority list for the group from which they are promoted, and they shall retain their seniority rights and continue to accumulate seniority while so employed. If released from their new positions, employees promoted to temporary official or excepted positions may return to their former positions; those promoted to permanent official or excepted positions may only displace junior employees or bid on vacant positions in their seniority group on their seniority territory.
 - NOTA: Employees promoted temporarily to a non-schedule official or excepted position, will be subject to dues deductions while working temporarily on this non-schedule, official or excepted position. In the event there is a legal strike by the BMWE or a legal lockout of the BMWE, such employees will be returned to the Union ranks.

Employees occupying a permanent non-schedule, official or excepted position upon conclusion of this round of national negotiations and employees promoted permanently to such position will have the option of paying a union assessment. Employees who elect to pay the union assessment shall continue to accumulate seniority in the groups from which promoted. Employees who elect not to pay the union assessment shall cease accumulating seniority but shall retain the seniority rights already accumulated up to the date upon which they elect to cease paying the union assessment. The union assessment referred to above will not exceed the union dues paid by employees represented by the BMWE.

<u>ARTICLE 7 — GRIEVANCE AND ARBITRATION PROCEDURE</u>

- **7.1** Employees will not be suspended or dismissed without just cause.
- **7.2** A grievance concerning the interpretation, or alleged violation of this Agreement, or an appeal by an employee who believes he has been unjustly dealt with shall be handled in the following manner.

Employees will confer with their immediate supervisor within 7 calendar days of the occurrence of an alleged grievance. The Local Chairman may be present at this conference. Should this conference not be held or the alleged grievance cannot be resolved, the grievance can be progressed in accordance with the following procedure.

Step 1

A grievance concerning an alleged violation of this Agreement shall be presented in writing to the general supervisor within 21 calendar days of the date of cause of such grievance. The general supervisor will give the decision in writing within 21 calendar days of the receipt of the grievance.

Step 2

Grievances not resolved at Step 1 may be appealed in writing to the General Manager (or his delegate) by the System Federation General Chairman (or his/her designate) within 21 calendar days of the decision rendered by the immediate supervisor. The General Manager shall render a decision within 21 calendar days of the date of the appeal.

7.3 A grievance that is not resolved may be referred to arbitration as follows:

To the Canadian Railway Office of Arbitration (CROA) for final and binding settlement without stoppage of work. A request for arbitration shall be made no later than 60 calendar days from the decision rendered by the General Manager.

The NQISL and the BMWE shall be governed by the rules and procedures set forth in the Memorandum of Agreement of September 1, 1971 amending and renewing the founding of the Canadian Railway Office of Arbitration.

- **7.4** When a decision is not rendered by the appropriate officer of the NQISL within the appropriate time limits, the grievance may be progressed to the next step in the grievance procedure.
- 7.5 In instances of grievances concerning an alleged violation which involves a claim for unpaid wages, if a decision is not rendered by the appropriate officer of the NQISL within the time limits specified, such time claimed will be paid. Payment of time claim in such circumstances will not constitute a precedent or waiver of the contentions of the NQISL in that case or in respect of other similar claims.
- **7.6** Time limits specified in this article may be extended by mutual agreement. between the System Federation General Chairman (or his/her designate) and the General Manager.

ARTICLE 8 — LEAVE OF ABSENCE

8.1 The Company may grant "leave of absence" without pay, to any employee for a legitimate personal reason (including education), and such leave will not be unreasonably withheld. To be valid, every application must be submitted in writing and approved by the Company in writing, a copy of which will be

furnished to the System Federation General Chairman. Employees on a valid "leave of absence" shall not be considered to have been laid-off and their seniority shall continue to accumulate during their absence. The Company will not unreasonably deny a written request for an extension to a leave of absence. Employees must maintain and remit directly to the Union a Union assessment while on leave of absence to maintain their seniority and return rights.

- 8.2 An employee on leave of absence from the NQISL may not work for another employer unless the Union and the NQISL mutually agree. Any employee who engages in such other employment without the consent of their Union and the NQISL shall forfeit their seniority and their name shall be removed from any seniority list under which they held seniority.
- 8.3 Employees elected or appointed to a Union position or as a delegate to any Union activity requiring leave of absence, shall be granted leave for the term of office or until completing the activity as the case may be, for which leave of absence was granted. Applications for, or renewal of such leave, for periods of one month or more must be made to the General Manager of the Northern Quebec Internal Short Line. Any elected Union officer on leave of absence from his regular position will be credited with compensated service for all time served in his elected position. Pass transportation will be granted in accordance with Company policy.
- 8.4 Employees shall, if desired, be granted leave of absence and free transportation at least three times each year to attend their meetings. Such free transportation shall not extend beyond their Region; leave of absence shall not exceed five working days and then only when consistent with good service and provided the Company is not put to any additional expense. It is understood that transportation issued in accordance with this article shall not interfere with the issue of transportation in accordance with the Company's general regulations.

ARTICLE 9 — VACATIONS

9.1 Employees who qualify will receive vacation pay as follows according to their NQISL service.

An employee will be compensated for vacation at the rate of pay he would have earned had he not been on vacation during such period or the percentage of the gross earning listed below (whatever is the highest).

Years of continuous service as of January 1 of current year	Months of cumulative compensated service as of December 31 of previous year	Ratio vacation days to days worked and/or available for service or major portion thereof — previous year	Maximum entitlement	Percentage of previous year's gross earnings	Vacation splits
Less than 4	Less than 40	1 per 25	2 weeks or 80 hours	4%	1 split (2 blocks)
4 to less than 9	40 or more, but less than 100	1 per 16 2/3	3 weeks or 120 hours	6%	1 split (2 blocks)
9 to less than 19	100 or more, but less than 200	1 per 12 1/2	4 weeks or 160 hours	8%	1 split (2 blocks)
19 to less than 28	200 or more, but less than 290	1 per 10	5 weeks or 200 hours	10%	2 splits (3 blocks)
28 and over	290 or more	1 per 8 1/3	6 weeks or 240 hours	12%	1 split (3 blocks)

More than the number of splits and blocks shown in the table may be granted as mutually agreed between the employee and his immediate supervisor.

- **9.2** Vacation time shall not be accumulated from one year to the next.
- **9.3** One month of cumulative compensated service consists of 21 working days or major portion thereof.
- 9.4 Vacation requests must be submitted in writing to the employee's supervisor no later than January 31 of each year. Those employees in the NQISL at the time of signing, with the greater amount of service (NQISL/CN), will have priority if duplicate requests for the same vacation times are received. Employees joining the NQISL afterwards will have their requests approved in the order of the amount of service to the NQISL. When submitting requests, employees should include a sufficient number of choices in case of duplicate requests.
- **9.5** All blocks of vacation will commence with the beginning of a work cycle/work week.
- **9.6** For those employees working on alternate work cycles, they will be entitled to take the equivalent number of vacation weeks as indicated in the table above under "maximum entitlement".
- **9.7** Vacation dates will be assigned no later than February 28 of each year, and employees shall, unless otherwise mutually agreed, take their vacation on the

- set dates. The NQISL reserves the right to grant or deny vacation request choices based on the needs of its operations.
- **9.8** When a general holiday occurs during an employee's vacation, the employee shall be entitled to one extra day as a vacation with pay.

ARTICLE 10 — GENERAL HOLIDAYS

- 10.1 The NQISL recognizes the following days as paid holidays: New Year's Day, January 2, Good Friday, Victoria Day, Quebec's "fête nationale," Canada Day, first Monday in August, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day. Entitlement will be as per the Canada Labour Code.
- 10.2 Employees who are not required to work on a general holiday shall be paid at the equivalent of the wages they would have earned at their regular rate of wages for their normal hours of work. When a general holiday falls on an employee's rest day, such holiday will either be moved to the normal working day immediately following the employee's rest day or to such other time upon which the Union and the NQISL agree.
 - **Note:** Employees working a cycle other than 8 hours per day will be compensated an equal number of hours for the general holiday when qualify (e.g. 4 days at 10 hours per day).
- 10.3 At the beginning of each year, on a date agreed to by the parties, but no later than January 31, the executive in charge of the Company and the System Federation General Chairman (or his delegate) will meet to discuss scheduling each holiday within the work cycle by balancing the NQISL's operational requirements and providing employees with longer periods of rest days.

ARTICLE 11 — BEREAVEMENT LEAVE

- 11.1 Upon the death of the employee's spouse, child or parent, an employee shall be entitled to five days' bereavement leave without loss of pay provided that he has no less than three months' cumulative compensated service.
- 11.1 Upon the death of the employee's brother, sister, step-parent, mother-in-law, father-in-law, step-brother, step-sister, grandchildren or grandparent, an employee shall be entitled to three days' bereavement leave without loss of pay provided that he has not less than three months' cumulative compensated service. It is the intent of this article 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.

- **11.2** Employees who while on annual vacation are bereaved shall be entitled to suspend their vacation and revert to be eavement status in accordance with the above.
- 11.3 In the application of this Article, "employee's spouse" means 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, it means the person that qualifies as spouse under the definition of that word in Section 2 (1) of the Canadian Human Rights Benefits Regulations, as long as such person is residing with the eligible employee.

ARTICLE 12 — JURY DUTY AND ATTENDING COURT

- **12.1** Employees held off duty by order of the NQISL to attend court or coroner's inquests in legal cases in which the NQISL is involved, or subpoenaed by the Crown in such cases, will be paid for such time at the basic hourly rate. Actual reasonable expenses will be allowed when away from normal work location.
- **12.2** Employees who are required to lose time from their assignments as a result thereof shall be paid for actual time lost.
- 12.3 Employees who are summoned for jury duty and who are required to lose time from their assignment as a result thereof shall be paid for actual time lost less the amount allowed for jury duty for each such day, excluding allowances paid by the court for meals, lodging or transportation subject to the following requirements and limitations;
 - (a) An employee must furnish the NQISL with a statement from the court of detailed jury allowances paid and the days on which jury duty was performed;
 - (b) The number of working days for which jury duty pay shall be paid is limited to a maximum of 90 days in any calendar year;
 - (c) No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee who has been allotted his vacation dates will not be required to change his vacation because he is called for jury duty.
 - (d) Notwithstanding the provisions contained in the last sentence of subparagraph (c), an employee's annual vacation will, if he or she so requests, be rescheduled if it falls during a period of jury duty.

ARTICLE 13 — EDUCATIONAL MEASURES

13.1 The parties agree that the disciplinary procedure shall be that agreed by CN and the BMWE under the terms of Appendix C of the Memorandum of Agreement of September 1, 2000.

ARTICLE 14 — DEDUCTION OF UNION DUES

14.1 The NQISL will make the arrangements to deduct and remit the appropriate dues to the Unions as advised by them.

ARTICLE 15 — BULLETINING & FILLING POSITIONS

(The provisions of this article shall not replace any provisions of the Employment Security and Income Maintenance Plan) (See questions and answers in Appendix 10.)

- 15.1 When vacancy occurs for which a replacement is required or a new position is created within the Bargaining Unit on the NQISL, the Company shall distribute, to all employees working on the NQISL, a notice of the position. Applications much reach the designated officer not later than the tenth (10) day after the date of the bulletin. A copy of the notice shall be delivered to all Local Chairmen and General Chairmen.
- Note: All vacancies shall be bulletined. If the position is not essential, it shall be described on the bulletin as "non-essential" for the record. If, after a year, the employee has not returned to work due to illness or injury, the position shall, as needed, be bulletined as a permanent position except if otherwise decided with the agreement of the General Chairman. If the employee returns to work after a year, he shall exercise his displacement rights.
- **15.2** The notice of position referred to (above) shall contain the following information:
 - (1) duties of the position
 - (2) qualifications required
 - (3) hours of work
 - (4) salary
 - (5) rest days
 - (6) work locations
 - (7) general remarks
- **15.3** The job requirements as determined by Management must be relevant to the position.

- **15.4** Appointments shall be made by the officer in charge of issuing the bulletin. Employees will be awarded bulletined positions in order of seniority provided they are qualified.
- 15.5 The name of the appointee and seniority number will be shown on the next bulletin. The successful applicant will be required to assume the position to which appointed within 15 days from the date of the closure of the bulletin unless as mutually agreed otherwise between the proper officer of the union and of the Company. This period may be extended if, due to unforeseen circumstances, the employee cannot be released to assume the position.
 - **Note:** As far as practicable, employees should be place on their new assignment the first day of the work cycle following the closing of the bulletin.
- **15.6** All Local Chairmen and General Chairmen shall be provided with names of successful applicants. If no candidate is appointed then the Local Chairman and General Chairman shall be so notified.
- 15.7 Should there be a shortage of employees holding seniority in a specific classification, a notice of position will be distributed to employees with seniority in other classifications. The NQISL and the Union will undertake to develop the specifics of the bulletining process in the 120 days following ratification of this Agreement. This article is not meant to prevent application of item 6 of Appendix 4.
- 15.8 Senior qualified employees within each Bargaining Unit on the NQISL will be given first preference over qualified employees from other Bargaining Units when filling new positions or vacancies coming within their respective Bargaining Units.
- 15.9 When a job is filled in accordance with the job posting procedure, the successful employee will undergo a reasonable trial and instruction period. When a job is posted within a Bargaining Unit, the employees of another bargaining unit shall have priority over new employees if there is no candidate within the unit who exercises his rights to the posted positions.
 - Priority will be given to CN qualified employees prior to consider employees from an other bargaining unit or hiring new employees.
- **15.10** Employees who have been appointed pursuant to this Article, and who fail to meet the requirements of the job to which they have been promoted, shall return to their former position and they shall not lose their seniority in their former classification.
- **15.11** Bulletined positions may be filled temporarily by an immediately available employee pending the assignment of the successful applicant.

- **15.12** Any appeal against appointment must be made in accordance with the grievance procedure as stated in Article 7.
- 15.13 A vacancy created as a result of an employee being on a leave of absence for illness or injury will be advertised as temporary. Should the employee not return to work for a period of one year, the position, will then be advertised as permanent unless otherwise agreed with the General Chairman. If such employees return to work after one year, they will be required to exercise their displacement rights. All employees will be required, in order to maintain their seniority and return right, to remit a Union assessment while on leave of absence for any reason. The employee will be notified by the System Federation of the amount of assessment. The NQISL will not be liable for any missed assessment.

All vacant or created positions that need to be filled in the NQISL Engineering Department shall be posted for employees working for the NQISL and those of the CN Engineering Department shall be posted for employees working for CN. If, after

Filling Permanent Positions

- **15.14** Permanent positions will be bulletined and awarded in accordance with Articles 15.4 and 15.5 of this Agreement.
- **15.15** Senior employees holding seniority in the higher classification will not lose such seniority if they do not apply for a position in the higher classification.
- 15.16 In the event that no qualified employee applies for the position, the position will be offered to <u>laid-off employees</u> in seniority order, who are qualified and who hold seniority in the classification. (See paragraphs 16.10 and 16.11 of Article 16 hereof.)
- **15.17** If positions remain unfilled, junior laid-off employees will be forced, in inverse seniority order, and must protect the assignment.
- 15.18 If positions remain unfilled, they will be awarded to the senior employees bidding to establish seniority in that classification provided such employees possess the basic job requirements and are adaptable and suitable to be trained for the positions.
- **15.19** If positions remain unfilled following the above process, the junior qualified employee holding seniority in the classification and working in a lower classification will be forced in inverse seniority order and must protect the assignment.

Note to Articles 15.7 and 15.19:

Failure to accept a recall under these Articles will result in loss of employment with the Company unless prevented by illness covered by Weekly Indemnity — Sickness Benefits Plan (Sun Life and provincial workers' compensation board) or other bona fide cause for which a leave of absence has been granted. The System Federation General Chairman will be advised of all authorized leaves of absence granted by the Company.

- 15.20 Except in an employment security situation, senior qualified employees who could have applied for a permanent position in the same classification or in higher classifications in which they hold seniority will not be permitted to displace a junior employee holding a permanent position until such time as they reestablish themselves, by bulletin, on a permanent job in the classification.
- **15.21** Employees bidding from a **permanent higher** classification to a **permanent lower** classification will not be entitled to any moving expenses or other expenses to move to the position awarded. Their permanent positions in the higher classification will be advertised as permanent. In the event such employees are placed in a situation to exercise their seniority, they will not be permitted to displace a junior employee holding a permanent or temporary position in the higher classification until such time as they reestablish themselves, by bulletin, on a permanent or temporary position in the higher classification.
- 15.22 Employees bidding from a permanent higher classification to a temporary lower classification will not be entitled to expenses on the position awarded. Seniority permitting, they must work the position until completion. Their permanent positions in the higher classification will be advertised as permanent. In the event such employees are placed in a situation to exercise their seniority, they will not be permitted to displace a junior employee holding a permanent or temporary position in the higher classification until such time as they reestablish themselves, by bulletin, on a permanent or temporary position in the higher classification.
- 15.23 Employees bidding from a temporary position in a higher classification to a permanent position in a lower classification (in order to establish or secure themselves on a permanent position or to change permanent position) will be required to complete their assignment on the temporary higher position. At the expiration of the temporary assignment, they will be entitled to displace on any temporary position in the higher classification or revert to their new permanent position.

Filling Temporary Positions

15.24 Temporary positions will be bulletined in accordance with paragraphs 15.4 and 15.5 of Agreement 10.1.

- **15.25** Senior qualified employees holding seniority in the higher classification will not lose such seniority if they do not apply for a position in the higher classification.
- 15.26 If positions remain unfilled, they will be offered in seniority order to qualified laid-off NQISL employees; if there are no qualified laid-off NQISL employees, they will be offered to qualified employees laid off in other zones. (See paragraphs 16.12 and 16.13 of Article 16 concerning recall to work.)
- **15.27** If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified laid-off employees **at the location**.
- **15.28** If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified laid-off employees **at the NQISL**.
- **15.29** If positions remain unfilled, the Company will force, in inverse seniority order, the junior qualified employees, holding seniority in that classification and working in a lower classification at the NQISL.

Note to Paragraphs 15.27, 15.28 and 15.29

Failure to accept the recall under these Articles will result in loss of employment with the Company unless prevented by illness covered by Weekly Indemnity — Sickness Benefits Plan (Sun Life and provincial workers' compensation board) or other bona fide cause for which a leave of absence has been granted. The System Federation General Chairman will be advised of all authorized leaves of absence granted by the Company.

15.30 In the event jobs remain unfilled after this process, they will be awarded to the senior employees bidding to establish seniority in that classification provided such employees possess the basic job requirements and are adaptable and suitable to be trained for the positions.

<u>ARTICLE 16 — STAFF REDUCTION & RECALL TO SERVICE</u>

(The provisions of this article shall not replace any provisions of the Employment Security and Income Maintenance Plan) (See questions and answers in Appendix 10)

16.1 Not less than four calendar days advance notice will be given to the employees affected when regularly assigned positions are to be abolished, except in the event of an act of God, a strike or a work stoppage by employees in the railway industry, in which case a shorter notice may be given.

In the event the positions continue for more than four working days past the effective date of the abolishment, a new written four working day notice will be provided.

- 16.2 In the event of reduction of staff, senior qualified employees will be retained. The System Federation General Chairman concerned will be provided with a list of the affected positions and incumbents.
- **16.3** Employees whose temporary position is terminated or who are displaced from a temporary position may exercise their seniority no matter how long the temporary position lasts.
- **16.4** When employees' permanent assignments are abolished while they are working on a temporary vacancy they will be required to declare their displacement rights as stated above within 72 hours of receiving such notice.
- 16.5 Laid-off employees must keep the appropriate officer advised of their address and telephone number, in order that they may be readily located. In order to be recalled the employees must have paid their assessment directly to the Union.
- 16.8 (a) Employees who are displaced or laid off while on leave of absence due to bona fide illness or injury, or vacation, or other authorized leave of absence, shall be able to utilize the appropriate "Staff Reduction and Recall to Service" article of their respective collective agreement, upon return to service.
 - (b) All employees will be required to pay their Union assessment to maintain their seniority and return rights while on layoff, or leave of absence for any reason. The appropriate Union will inform them of the amount of the assessment to be paid.

Recall from Layoff

16.9 Senior laid-off employees will not be obliged to accept recall from layoff. However, such refusal will render such employees ineligible for layoff benefits should the recall be at their home location. (See Recall Process, attached as Appendix 9)

Recall to a Permanent Job

16.10 Employees on Employment Security Status and in receipt of Employment Security benefits may accept recall, in seniority order to a permanent job at the NQISL. However, if they refuse such recall in seniority order they will forfeit forever their entitlement to the benefits contained in Articles 7 and 8 of the Employment Security and Income Maintenance Plan (ESIMP). Unless the recall is for their home location they will maintain their rights to the benefits contained in Article 4 of the ESIMP. They will maintain their seniority in the classification for which they were recalled. However, they will not be entitled to exercise such seniority on a permanent job until such time as they reestablish themselves onto a permanent job by bulletin. In all instances the

- junior employee holding seniority in the classification must protect the assignment.
- 16.11 Employees on Laid-off Status may accept recall, in seniority order to a permanent job at the NQISL. Unless the recall is for their home location they will maintain their rights to the benefits contained in Article 4 of the ESIMP. They will maintain their seniority in the classification for which they were recalled. However, they will not be entitled to exercise such seniority on a permanent job until such time as they reestablish themselves onto a permanent job by bulletin. In all instances the junior employee holding seniority in the classification must protect the assignment.

Recall to a Temporary Job

- 16.12 Employees on Employment Security Status and in receipt of Employment Security benefits may accept recall, in seniority order to a temporary job at the NQISL. However, if they refuse such recall in seniority order they will forfeit forever their entitlement to the benefits contained in Articles 7 and 8 of the Employment Security and Income Maintenance Plan (ESIMP). They will also forfeit their entitlement to the benefits contained in Article 4 of the ESIMP for the duration of the assignment if such recall is at their home location. They will maintain their seniority in the classification for which they were recalled. In all instances the junior employee holding seniority in the classification must protect the assignment.
- 16.13 Employees on Laid-off Status may accept recall, in seniority order to a temporary job at the NQISL. However if they refuse such recall at the home location they will forfeit their entitlement to the benefits contained in Article 4 of the ESIMP for the duration of the assignment. They will maintain their seniority in the classification for which they were recalled. In all instances the junior employee holding seniority in the classification must protect the assignment.

Displacement Process

General Principles

- **16.14** In an effort to contain expenses, no expenses under Article 20 of this Agreement will be paid:
 - a) When displacing away from the home location when work is available in the same classification at the home location,
 - b) When displacing in a lower classification away from the home location when work is available in the same lower classification at the home location.

Seniority Principles

- 16.15 Employees placed in a situation to exercise their displacement rights from a permanent position who decide to displace onto a temporary position within the same classification while permanent positions are available in the same classification will not be permitted to displace a junior employee holding a permanent position in that classification until such time as they reestablish themselves, by bulletin, on a permanent position in that classification.
- 16.16 Employees placed in a situation to exercise their displacement rights from a temporary position and who do not hold a permanent position in that classification or in the classification in which displacing, will not be permitted to displace onto a permanent position in that classification until such time as they establish themselves, by bulletin, onto a permanent position in those classifications.
- **16.17** Employees displaced from a temporary position in a classification in which they hold a permanent position may displace on another temporary position in the same classification or revert to their permanent position.
- **16.18** Employee must exhaust their seniority within their line of promotion in the supplemental agreement from which displaced before displacing into another supplemental agreement in which they hold seniority.
- **16.19** In all cases, employees will not lose their seniority in any classification including in an Employment Security situation.

Sequence of Displacements

- 16.20 In cases of displacement from a permanent position or the abolishment of a permanent position, employees placed in a situation to exercise their displacement rights should follow the following order to maintain their maximum rights to permanent positions:
 - a) at their **home location**, on **permanent** positions in the same classification as the one from which displaced; there being none,
 - b) **away** from their home location, on **permanent** positions in the same classification as the one from which displaced; there being none,
 - c) at their **home location**, on **temporary** positions in the same classification as the one from which displaced; there being none,
 - d) **away** from their home location, on **temporary** positions in the same classification as the one from which displaced; there being none,
 - e) at their **home location**, on **permanent** positions in the next lower classification in which they hold seniority; there being none,

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- f) **away** from their home location, on **permanent** positions in the next lower classification in which they hold seniority; there being none,
- g) at their **home location**, on **temporary** positions in the next lower classification in which they hold seniority; there being none,
- h) **away** from their home location, on **temporary** positions in the next lower classification in which they hold seniority.
- **16.21** Employees should follow this principle from classification to classification until they reach the lowest classification in which they hold seniority.
- 16.22 In the event employees choose not to follow the sequence outlined above Article 16.14 will apply. Furthermore, employees who do not displace on permanent positions in lower classification in which they hold seniority will not at any time be able to displace in any higher classifications on a permanent position until they reestablish themselves on a permanent position by bulletin.
- **16.23** Employees displacing from a temporary position and holding a permanent position in a lower classification will be entitled to displace on any temporary position in the same classification as the one vacating before returning to their permanent position.
- 16.24 Employees who wish to protect their entitlement to Employment Security in an Article 8 situation MUST follow the sequences outlined in paragraphs 16.20 and 16.23. In addition to the requirements therein, seniority permitting, employees may displace on any permanent position which they can hold within the classification affected then on any permanent position in any classification downward within the same line of promotion from the one they are vacating.

<u>ARTICLE 17 — HOURS OF SERVICE & MEAL PERIOD</u>

- 17.1 Eight or ten consecutive hours, exclusive of meal period, which shall be thirty minutes unless otherwise agreed to between the employees and the supervisor involved shall except as otherwise provided, constitute a day's work.
- 17.2 Regular day shifts shall start at or between 0500 hours and 1000 hours.
- 17.3 Regular assignments shall have a fixed starting time which will not be changed without twenty-four (24) hours' notice to the employees affected. Time will start and end at the designated points agreed to between the System Federation General Chairman and the appropriate Company Officer. In the absence of an agreement, the tool house, boarding facilities or shops shall be considered as the designated points. Where local conditions

- necessitate it temporarily, other designated assembly areas may be established by mutual agreement between an appropriate officer of the NQISL and General Chairman of the Brotherhood (or his representative).
- **17.4** Any change in starting time is subject to employees being afforded eight hours' rest between tours of duty.
- 17.5 When eight or ten hours of continuous service are required in regular operations, twenty minutes will be allowed for a meal without loss of pay. Unless mutually otherwise arranged locally, the meal period is allowed between the ending of the fourth hour and the beginning of the seventh hour after starting time provided it does not affect the operation.
- 17.6 Employees while assigned to any job and available for service, shall be allowed the minimum number of hours which constitutes a day's work at pro rata rates, for which such number of hours work may be required for each day so assigned, exclusive of rest days and holidays.
- 17.7 Employees whose regularly assigned shifts commence between 1400 hours and 2159 hours shall receive a shift differential of 50 cents per hour, and employees whose regularly assigned shifts commence between 2200 hours and 0559 hours shall receive a shift differential of 55 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 vacation, general holidays, etc.
- **17.8** Except in cases of emergencies, employees shall not be required to work more than sixteen hours continuously without a rest of eight hours.

ARTICLE 18 — WORK WEEK

- 18.1 The work week for all employees covered by this Agreement, unless otherwise excepted herein, shall be forty hours consisting of five days of eight hours each, with two consecutive rest days in each seven, subject to the following modifications: the work week may be staggered in accordance with the Company's operational requirements after agreement with the System Federation General Chairman. This article shall not be construed to create a guarantee of any number of hours or days of work not provided for elsewhere in this Agreement.
- 18.2 The rest days shall be consecutive as far as is possible. The assignment of rest days shall be in accordance with the work cycles in this Article 18 and shall be scheduled by the NQISL at the beginning of each year after agreement with the Union as per 18.4.
- **18.3** The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and

- for laid-off or unassigned employees shall mean a period of seven consecutive days starting with Monday.
- 18.4 Various work cycle arrangements may be established by mutual agreement between the appropriate officer of the Company and the System Federation General Chairman. Such work cycle variations may include: 4 work days (10 hours each) followed by 3 rest days; 8 work days (10 hours each) followed by 6 rest days; 7 work days (11.2 hours each) followed by 7 rest days; 5 work days (10 hours each) followed by 4 rest days followed by 3 work days (10 hours each) followed by 2 rest days, 4 work days (11.2 hours each), followed by 3 rest days, followed in turn by 3 work days (11.2 hours each), followed by 4 rest days. Where such agreement is reached the parties will make application in accordance with the provisions of the Canada Labour Code. (See Appendix 11)
- 18.5 It is understood that the various work cycle arrangements are for the purpose of meeting the Company's operational requirements or to provide employees working long distances from home sufficient time to return home on their rest days.

ARTICLE 19 — OVERTIME & CALLS

- **19.1** All time worked in addition to the regularly assigned shift on any day will be paid at the rate of time and one half. This paragraph is subject to the provisions of Article 18.
- **19.2** Overtime work shall be distributed as equitably as possible among the employees who normally perform the work. The Company will provide the records to the Union when so requested. Any employee refusing overtime work shall have the offered time recorded as time offered.
- **19.3** All employees shall be offered the overtime work on an equal basis, based on the available work. Overtime will be assigned based on the following criteria:
 - (a) An employee is already engaged in the work for which overtime is required
 - (b) An employee has the qualifications required to perform the overtime work;
 - (c) An employee on duty is immediately available for the overtime work to be performed.
- 19.4 Upon agreement between the employee and supervisor, instead of payment for overtime, an employee may choose to receive time off in lieu of the appropriate overtime, at the rate of 1 1/2 hours off for every 1 hour worked. An employee may accumulate up to a maximum of five (5) working days,

- which may be taken off at a time agreed upon by the supervisor. If not taken, they will be paid out after 4 months.
- 19.5 Employees called outside of their regularly assigned hours, after having been relieved, shall be paid a minimum of three hours at overtime rates for which three hours of service may be required, but for such minimum shall not be required to perform work other than that of the emergency, and possibly another emergency which might arise subsequent to time of call. If, however, employees are called to commence work less than two hours before their regular starting time, the time will be computed continuously with the regular day's work, and the time before the regular starting time shall be paid time and one-half on a minute by minute basis.
- **19.6** An employee who is called by the Company for overtime work prearranged or otherwise and accepts the call, will be paid one (1) hour at punitive rates if such call is canceled prior to his/her leaving home.

ARTICLE 20 - MEALS, LODGING & TRAVEL ALLOWANCES

- **20.1** Employees required to remain away from their headquarters or their boarding cars overnight, or employees who have no headquarters and are required to be absent from their place of residence overnight or employees forced to fill temporary assignments, will be afforded one of the following:
 - (a) NQISL provided accommodation or,
 - (b) Reasonable expenses for meals and lodging which they necessarily incur or,
 - (c) An all inclusive expense allowance (2001: \$81.79, 2002: \$84.24, 2003: \$86.77)

Items (a) and (b) above are based on double occupancy where practicable.

The Company retains the right to determine which is applicable.

In the application of (a) and (b) above, the following will apply:

- i) Employees required to take a meal away from their headquarters will be entitled to a meal allowance of \$7.00.
- ii) Temporary employees required to stay in accommodations equipped with a kitchen will be afforded a per diem allowance of \$17.24 for 2001 and will be increased by 35 cents per year, starting January 1, 2002, for the term of this Agreement.

- iii) In addition to Company's supplied accommodation, employees required to spend the night away from their headquarters will be afforded a daily meal allowance of \$32.72 (2002: \$33.70, 2003: \$34.71). The same allowance will also be paid to temporary employees moving from one location to another every day. If the employees are away from their headquarters for a full work cycle, the allowance is paid for every day of the cycle but if they are away for a single night the \$32.72 covers the expenses for the supper on the first day and breakfast and lunch on the return day. Note that the \$7.00 allowance will be paid in addition to the \$32.72 allowance but would be applicable for the first lunch of the overnight trip.
- iv) Permanent employees will continue to be accommodated in NQISL installations if they require it. It is understood that permanent employees using these facilities must be ready and willing to do their own housekeeping.

Note: When a \$7 allowance is applicable, it will be increased by 25 cents per year, starting January 1, 2002, for the term of this Agreement.

- **20.2** When certain meals are provided by the Company, the daily meal allowance will be reduced by the corresponding amount as provided in paragraph 20.3 to reflect only those that need to be reimbursed.
- **20.3** When required, in cases where meals are not provided by the Company, expenses not to exceed the amounts indicated below shall be considered to be reasonable:

Year	Breakfast	Lunch	Supper	Total
2001	\$6.80	\$11.32	\$14.60	\$32.72
2002	\$7.00	\$11.66	\$15.04	\$33.70
2003	\$7.21	\$12.02	\$15.49	\$34.71

Subsequently to 2003, all these amount will be adjusted to those applicable at CN or which ever is the highest.

- 20.4 It is understood that the assistance provided for under this Memorandum of Agreement is limited to those employees required to be absent from their headquarters or boarding cars; or for employees without a headquarters, from their place of residence, to work at a location which is more than 40 miles in one direction (more than 80 miles return) from their headquarters or boarding cars; or for employees without a headquarters, from their place of residence, by the most direct route.
- 20.5 Reimbursement of meal and lodging allowance will be made through the Direct Deposit System (DDS) once per pay period by adding it to the employee's regular wages as a separate item.

- **20.6** Opportunity and free transportation shall be given to employees for getting to their place of residence on weekends in accordance with the terms of the Weekend Travel Assistance letter as per Appendix 8.
- **20.7** When employees move from one point to another by order of the Company, or in the exercise of their seniority rights, their household effects shall be transported free of charge.
- **20.8** Where an automobile mileage allowance is paid, such allowance shall be 28 cents per kilometer.
- **20.9** Employees shall be granted free pass transportation in accordance with the Company policy.

<u>ARTICLE 21 — CLASSIFICATIONS & WAGES</u>

- **21.1** All employees covered by this Agreement shall be paid on an hourly basis. The hourly rate paid is the basic rate corresponding to the classification of the position held as defined below.
- 21.2 General wage increases after December 31, 2001, up until the expiration of this Agreement, will be in accordance with general wage increases negotiated between the BMWE and CN during National Negotiations for those employees covered under their bargaining certificate as provided in Article 2 of this Collective Agreement.
- **21.3** Where applicable, and when they occupy a position requiring such qualifications, employees who have successfully completed the appropriate qualification program will receive the following qualification pay:

LEVEL	QUALIFICATION	ALLOWANCE	TOTAL
			ALLOWANCE
QSPI* – Level 1	Lifting chart	0,30\$	0,60\$
	Rail torch cutting	0,30\$	0,00φ
QSPI* – Level 2	Lifting chart	0,30\$	
	Rail torch cutting	0,30\$	0,90\$
	Small switch broom	0,30\$	
QSOC**	Lifting chart	0,30\$	
	Rail torch cutting	0,30\$	
	Small switch broom	0,30\$	1,20\$
	Qualification for	0,30\$	
	Operating crews		

- * QSPI: Special Qualification for Engineering Employees
- **QSOC: Qualification Standards for Operating Crews
 - **Note 1**: QSOC employees may occasionally be required to work as conductors. When so required, they shall receive the rate of pay applicable for such position.
 - Note 2: Employees holding a permanent QSPI or QSOC position and possessing one of the qualifications will be immediately entitled to the corresponding allowance as per the list above for each of such qualifications.
- **21.4** Track Maintainers, Masonry workers and Carpenters will be entitled to qualification pay of \$0.70 per hour upon presentation of a valid class 3 driver's license and an "A" book under the Canadian Railway Operating Rules.
- **21.5** Employees temporarily assigned to lower rated positions shall not have their rate reduced. Employees temporarily assigned to higher rated positions shall receive the higher rates while occupying such positions.
- 21.6 When additional positions or classifications are created, compensation shall be fixed in conformity with agreed rates for similar positions or by agreement between the System Federation General Chairman and the General Manager of the NQISL.
- **21.7** Rates of pay 2001

Classification	Basic hourly rate	Qualification	
		pay	hourly rate
Beaver Controller Foreperson	20.334\$		20.334
Beaver controller	18.271 \$		18.271
Track Maintenance Foreperson	19.734 \$		19.734
Track Maintenance Foreperson/QSPI Level 1	19.734 \$	0.60 \$	20.334
Track Maintenance Foreperson/QSPI Level 2	19.734 \$	0.90 \$	20.634
Track Maintenance Foreperson/QSOC	19.734 \$	1.20 \$	20.934
Boom Truck Foreperson	20.450 \$		20.450
Boom Truck Foreperson/QSPI Level 1	20.450 \$	0.60 \$	21.050
Boom truck Foreperson/QSPI Level 2	20.450 \$	0.90 \$	21.350
Boom Truck Foreperson/QSOC	20.450 \$	1.20 \$	21.650
Snow Plow Foreman	22.130\$		22.130
Assistant Track Foreperson	18.271 \$		18.271
Assistant Track Foreperson/QSPI Level 1	18.271 \$	0.60 \$	18.871
Assistant Track Foreperson/QSPI Level 2	18.271 \$	0.90 \$	19.171
Track Maintainer	17.258 \$		17.258
Track Maintainer/Truck Driver QSOC	19.673 \$	1.20 \$	20.873
Track Maintainer/Truck Driver	19.673 \$		19.673
Snow Plow Helper	19.734\$		19.734
Flagperson	18.271 \$		18.271
Foreperson Welder	21.650 \$		21.650
Welder	20.972 \$		20.972
Steel Worker Foreperson/QSPI	23.304 \$	0.30\$	23.304
Steel Bridge Worker	22.009 \$		22.009
Steel Bridge Worker/Welder	22.318 \$		22.318
B&S Foreperson	22.318 \$		22.318
Masonry Worker	20.927 \$		20.927
Carpenter	20.000 \$		20.000
Bench Carpenter	20.927 \$		20.927
Machine Operator GR 1	19.734 \$		19.734
Machine Operator GR 2	18.761 \$		18.761
Machine Operator PMO	19.734 \$		19.734
Machine Operator PMO QSOC	19.734 \$	1.20 \$	20.934
Opérateur Special Group	21.050 \$	· ·	21.050
Rail Lubricator Maintainer	19.734 \$		19.734

21.8 If due to changes in the operation one or more qualifications as defined in paragraph 21.3 are no longer required for a specific position, the Company will maintain wages of the employee holding such position as long as the employee remains on the position. Upon his departure from this position, the Company may bulletin the position according to operational requirements.

ARTICLE 22 — BENEFITS

22.1 All employees will receive pension and benefits entitlement which shall be the same as currently provided to all CN employees.

ARTICLE 23 — INCENTIVE PLAN

23.1 Employees will be eligible to the NQISL incentive plan, as per Appendix 2 of this Agreement, from the date of the signing of this Agreement.

ARTICLE 24 - EMPLOYMENT SECURITY & INCOME MAINTENANCE PLAN — ESIMP

24.1 The provisions of the Employment Security and Income Maintenance Plan dated April 21, 1989, as revised, amended or superseded by any agreement to which the parties to this Agreement are signatories will apply to employees covered by this Agreement. Application of the ESIMP will take into account the particularity of this Memorandum of Agreement.

ARTICLE 25 — TRAINING

- 25.1 The Company and the Union agree that employees will be assigned any work for which they are familiar and qualified or can be trained to perform. Training programs shall be offered by the Company and discussed with the Union prior to their implementation.
- 25.2 Although the intent of this Agreement is to encourage the composite employees, the Unions do not surrender any representation rights to their historical exclusivity to bargaining representation. It is understood that employees from one bargaining unit may do work in another bargaining unit for periods of up to 30 consecutive calendar days provided no employees are available from the bargaining unit.
- 25.3 An employee shall be granted leave with pay with full deductions to take courses at the request of the Company. The Company shall bear the full cost of the course, including tuition fees, entrance or registration fees, laboratory fees, and course-required books, necessary traveling and subsistence expenses, and other legitimate expenses where applicable.

<u>ARTICLE 26 — INJURED ON DUTY</u>

- **26.1** Employees injured while at work will be given proper medical attention, if required. An accident report will be completed immediately.
- 26.2 An employee prevented from completing a shift due to a bona fide injury, sustained while on duty, will be paid for the full shift at straight time rates of pay, unless the employee receives Workers' Compensation benefits for the day of the injury, in which case the employee will be paid the difference between such compensation and payment for their full shift.

- **26.3** Employees occupying light duties positions will be required to work 40 hours a week and be paid at the basic hourly rate, unless agreed otherwise by the NQISL and the Union.
- **26.4** Physically disabled employees will be dealt with as per the letter at Appendix 7.

ARTICLE 27 — CONTRACTING OUT

27.1 It is the intent of the parties not to contract out bargaining unit work on the NQISL. In instances wherein contracting out is necessitated, it shall not cause lay-off of employees covered by this Agreement or a reduction of normal hours worked by such employees nor they will be any work contracted out if there is sufficient qualified laid-off employees in the bargaining units where such work is to be contracted out.

<u>ARTICLE 28 — APPLICATION AND INTERPRETATION OF AGREEMENT</u>

- **28.1** Employees or their representative will call the attention of the supervisory officers to any violation of the terms of this Agreement and if necessary, the General Chairman will refer such matters to the proper office of the NQISL.
- **28.2** Any question of interpretation which may arise will be adjusted by the System Federation General Chairman with the proper officer of the NQISL .
- 28.3 No ruling will be made by an officer of the NQISL changing any generally accepted interpretation of any article of this Agreement without first having discussed the matter with the System Federation General Chairman. A copy of the ruling issued will be furnished to the System Federation General Chairman which can be grieved starting at the arbitration level.
- 28.4 No local arrangements which conflict with the generally accepted interpretation for the provisions of this Agreement will be entered into unless first approved by the System Federation General Chairman affected and the proper officer of the NQISL.

ARTICLE 29 – PRINTING OF AGREEMENTS

29.1 The Company undertakes the responsibility for the translation and printing of the Agreement as may be required from time to time and will absorb the cost of delivery of sufficient copies to the employees and the System Federation General Chairman. In case of conflict between the English and French version of the Agreement, the English version will govern.

<u>ARTICLE 30 – NQISL INITIATED MEETINGS</u>

30.1 When an employee and/or local Union representative or delegate who is not on duty is requested by an NQISL officer to attend a meeting on a matter initiated by the NQISL, such employee, Union representative or delegate will be compensated for both wages and reasonable expenses.

<u>ARTICLE 31 — MEMORANDUM OF AGREEMENT</u>

- **31.1** This Memorandum of Agreement is in full and final settlement of all NQISL issues discussed by the parties.
- 31.2 It is understood that this Memorandum of Agreement is subject to ratification and will take effect on May 1, 2000. Employees who perform services subsequent to May 1, 2000, shall be entitled to any amount of compensation that may be due them as a result of the signing of this Agreement.

Signed in	this	day of	, 2001.
For Canadian National Railway		For the BMWE	
Senior Vice-President Eastern Canada Division		System Federation General Ch BMWE Eastern System Federation	
Vice-President Labour Relations			

<u>APPENDIX 1</u>

August 21, 2001

R.A. Bowden System Federation General Chairman Brotherhood of Maintenance of Way Employees 2775 Lancaster Road, Suite 3 Ottawa, Ontario K1B 4V8

Labour Relations

Upon the ratification of this Agreement the parties will meet within 90 days in order to review and, if necessary, redefine the role and the composition of the existing Advisory Council at the Northern Quebec Internal Short Line (NQISL).

This letter will not be the subject of grievances or arbitration.

If the above accurately reflect the appropriate space below.		as discussed, please sign your concur	rence in
Signed in	_ this	day of	, 2001.
For Canadian National Railway		For the Brotherhood of Maintenance of Way Employees	e
Senior Vice-President Eastern Canada Division		System Federation General Chairm BMWE Eastern System Federation	— an
Vice-President	_		

APPENDIX 2

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

The parties agree that the current incentive plan in place, as outlined in the Agreement dated February 17, 1995, between the Brotherhood of Maintenance of Way Employees and CN on the NQISL will be extended to the employees of the NQISL (new subdivisions as listed in the preamble) and will remain in force up to and including April 30, 2000.

After the ratification of this Agreement, the parties agree that the incentive plan will be replaced by a Gainsharing Plan with a maximum pay-out of 4% of the basic wages. Similarly to the CN Gainsharing Plan, the NQISL Gainsharing Plan will have measures based on safety, service and cost efficiency. Details with respect to measurement criteria and associated measures will be determined within 60 days of the ratification.

If the above accurately reflects what was discussed, please sign your concurrence in the appropriate space below.

Signed in	this	day of	, 2001
For Canadian National Railway		For the Brotherhood of Main of Way Employees	tenance
Senior Vice-President Eastern Canada Division		System Federation General BMWE Eastern System Fed	
Vice-President Labour Relations	_		

APPENDIX 3

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This is in reference to our Agreement for the operation of the Northern Quebec Internal Short Line (NQISL).

The parties acknowledge and agree that the attached Memorandum of Agreement between Canadian National Railway Company and the Brotherhood of Maintenance of Way Employees (Eastern System Federation) is intended to cover and govern rates of pay, all benefits and working conditions for CN employees on the Northern Quebec Internal Short Line (NQISL), as defined in said Memorandum of Agreement only, and it shall not constitute a precedent applicable anywhere else on the CN Railway System nor shall any party hereto invoke any or all dispositions of said Supplementary Agreement as constituting a precedent or as constituting in any way admissions or concessions relative to the general labour negotiations presently undergoing between the parties hereto, at a national level.

If you are in agreement with the above, please sign your concurrence in the

APPENDIX 4

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This is further to our discussions with respect to exercise of seniority rights of employees between CN and NQISL.

During our discussions, it was agreed that:

- 1. The Memorandum of Agreement dated November 1, 1996, is amended.
- 2. Employees displaced or affected by a reduction in staff must exercise their seniority rights only in their respective territory in accordance with the appropriate provisions of their respective agreement.

Note: For the purpose of this letter, the term "territory" will mean the CN St. Lawrence Region network or the NQISL network, as the case may be.

- 3. Employees unable to hold work in their respective territory where staff reduction occurred will not be allowed to displace in the other territory in any instances. Such employees will not forfeit their seniority provided they complied with the appropriate provisions of their respective agreement. They will be subject to recall in their respective territory pursuant to the provisions of the agreement under which they are governed.
- 4. A seniority list for all NQISL Maintenance of Way employees will be maintained for all applicable classifications.
- Maintenance of Way employees who are holding or who are awarded a position on the NQISL under the terms of this Memorandum of Agreement will have their names retained on the CN Seniority lists.
- 6. Positions will only be posted on the respective territory and will only be available to employees of that territory. This will not prevent the NQISL from bulletining unfilled vacancies in specialized trades (i.e. Welders, Machine Operators) to CN employees for a transition period of 12 months starting with ratification of this Agreement (September 10, 2001). Employees who have applied for the relief list

and who are selected to be called to fill vacancies within their respective classification on NQISL as per the number as mutually agreed between the parties, will be accorded the same seniority date they had at CN.

- 7. Should there still be positions left vacant after all bulletin and recall procedures have been exhausted in one territory, such vacant positions will be advertised on the other territory before hiring of new employees. Employees of the other territory will not be required to protect their seniority on those positions. CN employees awarded a position on the NQISL will be accorded a seniority date on the appropriate NQISL seniority list from the date of appointment.
- 8. Should there be a temporary shortage of qualified employees at CN and simultaneously there are employees on laid-off or employment security status at NQISL, the NQISL may recall its staff and supply them to CN. The employees remain NQISL employees although they are working on the St. Lawrence Region network. This supply of manpower can be reciprocal.

If you are in agreement with the above, please sign your concurrence in the

Labour Relations

APPENDIX 5

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This is in reference to our agreement for the operation of the Northern Quebec Internal Short Line (NQISL). We have agreed to broaden the scope of our employees' qualifications in order to improve the safety and efficiency of our operations. Specifically, many positions will require that the incumbent meet the general Qualification Standards for Operating Crews (QSOC) or the Special Qualification for Engineering Employees (QSPI). This letter sets the general guidelines for the application of these new qualifications.

General Guidelines

- 1. The initial bulletin will identify all positions for which the QSOC, QSPI Level 1 or QSPI Level 2 qualifications will be required. Employees holding QSPI Level 1 positions will be required to be qualified in lifting chart and rail torch cutting. Employees holding QSPI Level 2 positions will be required, in addition to QSPI Level 1 qualifications, to be qualified in the operation of snow removal equipment such as small switch brooms. Employees holding QSOC positions will be required to, in addition to QSPI Level 1 & 2 qualifications, to be qualified in the general Qualification Standards for Operating Crews.
- 2. Employees awarded such a position will receive regular pay before training for the position applied for during the training period. The Company intends to proceed as rapidly as possible with the formal theoretical and practical training and expects to complete it within the first six months of this Agreement. If it is impossible to complete the training within the abovementioned period, Company representatives and the General Chairman of the Brotherhood will meet to discuss the appropriate period. Upon successful completion of their training, employees will receive full qualification pay.
- In order to reduce the risk of failure and to determine whether employees have the aptitudes required and are capable of adapting, they will undergo a selection process applicable to positions requiring QSOC qualification prior to start the training program. The selection process includes both written tests and an interview.

- 4. Employees awarded a QSOC position on the initial bulletin will be required to undergo the training program. If such employees fail on the first attempt, they will be given a second opportunity within a reasonable period of time. If they fail twice, the position will be administered as a non-QSOC position as long as they remain the incumbents of the said position. This exemption of qualifications is to promote overall workforce stability and will not be extended to any future employees appointed to the position.
- 5. Work Equipment Machine Operators awarded a QSOC position on the initial bulletin will be required to undergo the training program. If such employees fail on the first attempt, they will be given a second opportunity within a reasonable period of time. If they fail twice, they will be required to exercise their seniority on a position that does not require that qualification on either the NQISL or CN territories.

The NQISL and the Union will agree on a shortlist of Work Equipment Operators who have consistently worked at specific locations on the NQISL territory over the last few years. If these employees fail the QSOC qualification program twice, their position will be administered as a non-QSOC position as long as they remain the incumbent of the said position. This exemption of qualifications is to promote overall workforce stability and will not be extended to any future employees appointed to the position.

6. QSOC, QSPI – Level 1 or QSPI Level – 2 qualified employees will also be required to be lifting chart and rail torch cutting qualified.

If you are in agreement with the above, please sign your concurrence in the appropriate space below.

Signed in	this	day of	, 2001.	
For Canadian National Railway		For the Br of Way En	otherhood of Maintenant oployees	ance
For: Senior Vice-Presid Eastern Canada Divisio		•	ederation General Cha stern System Federa	
For: Vice-President Labour Relations				

APPENDIX 6

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This is in reference to our agreement for the operation of the Northern Quebec Internal Short Line (NQISL). We have agreed to broaden the scope of our employees' qualifications in order to improve the efficiency of our operations. Specifically, all permanent Track Maintenance Foreman positions will require to be qualified in the operation of Work Equipment machines involved in snow clearing operations. This letter sets the general guidelines for the application of this additional qualification for these Track Maintenance Foremen.

General Guidelines

- 1. The initial bulletin will identify all positions for which Work Equipment qualifications will be required and which machines the incumbent might be required to operate.
- 2. Employees awarded such a position will receive the training qualification pay during the training period, which begins immediately upon the appointment. The Company intends to proceed as rapidly as possible with the formal theoretical and practical training and expects to complete it within the first year of this Agreement. Upon successful completion of their training, employees will receive the full qualification pay.
- 3. The training duration is expected to be two weeks. The specific training will vary depending on the machines at the location of the Track Maintenance Foreman.
- 4. Track Maintenance Foreman awarded a permanent position on the initial bulletin will be required to undergo the training program. Any Track Maintenance Foreman who fails on the first attempt will be given a second opportunity within a reasonable period of time. If he/she fails twice, the position will be administered as a Track Maintenance Foreman position not requiring Work Equipment Machine Operator qualification as long as they remain the incumbent of the said position. This exemption of qualifications is to promote overall workforce stability and will not be extended to any future employees appointed to the position.
- 5. In the long term, it is the NQISL's intent to also qualify employees who are not incumbent of permanent Track Maintenance Foreman positions. Preference will be given to employees most likely to be awarded such a position in the near

future. When they are operating such machines, track employees with machine operator qualifications would be paid the higher of their basic pay plus qualification pay as per this Agreement or the machine operator pay for the specific machine, whichever is the highest.

Labour Relations

APPENDIX 7

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This has reference to discussions during current contract negotiations with respect to the railway's proposal regarding the desirability of undertaking special arrangements for an employee who becomes physically disabled during the course of his employment and is unable to perform the regular duties of his assigned position and is unable to exercise his seniority on a position which he is capable of performing.

This letter will confirm our understanding that, in such circumstances, the proper officer of the Company and the General Chairman of the Brotherhood will meet to see if arrangements can be made to provide employment to the employee concerned within the bargaining unit. The parties may, by mutual agreement, place a disabled employee on a position that his qualifications and ability allow him to perform, notwithstanding that it may be necessary to displace an able-bodied employee in the bargaining unit so as to provide suitable employment. The permanently assigned employee so displaced will be allowed to exercise seniority onto a position within the bargaining unit that he is qualified for and has the ability to perform.

A disabled employee placed on a position shall not be displaced by an able-bodied employee so long as he remains on that position except when a senior employee is otherwise unable to hold a position within his seniority group.

Should the disabled employee subsequently recuperate, he shall be subject to displacement, in which case such employee will exercise seniority rights. When a senior able-bodied employee believes that the provisions of this letter will result in undue hardship, the General Chairman may discuss the circumstances with the Company.

The above understanding is to provide guidelines for assisting disabled employees to continue to be employed.

If you are in accord with the above, would you please so indicate below.				
Signed in	this	day of	, 2001.	
For Canadian National	Railway		For the Brotherhood of Maintenance of Way Employees	
Senior Vice-President Eastern Canada Divisi	on		System Federation General Chairman BMWE	
Vice-President Labour Relations				

APPENDIX 8

August 21, 2001

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

This refers to the travel assistance which is to be provided to employees represented by your organization for getting to their home location on weekends or rest days. The parties have recognized that such arrangements must be fair and practical, must not be permitted to interfere with the performance of the work and must not place an unreasonable economic burden upon the Northern Quebec Internal Short Line.

They have also recognized the need for suitable restrictions on the frequency of trips and the establishment of minimum and maximum distances.

The parties have concluded that a variety of means must be employed to assist the employees with weekend travel and that the determination of the means to be applied in any given situation must rest with the appropriate NQISL officers.

Qualification

In order to qualify for weekend travel assistance an employee must be required to work away from his home location on a regular basis (a minimum of 5 consecutive days prior to the weekend). If such work is on a permanent position, which has an established Headquarters location, there must be an acceptable reason for the employee not relocating his home to the Headquarters location, such as remoteness of the location or limited housing at the location.

Travel Assistance

As mentioned above, the means to be used to assist employees with weekend travel will vary and the determination of which will apply in each case will rest with the appropriate Company Officers. The means that may be employed are:

- (a) Train Service
- (b) Company vehicles
- (c) A fixed expense allowance

- (d) A mileage allowance as determined in Appendix XIII of Collective Agreement 10.1.
- **(e)** Any other means which meets the criteria mentioned in the first paragraph of this letter; or
- **(f)** Any combination of a, b, d, and e above.

The adequacy of train service where it is considered as a means for weekend travel is of course a very relative matter. Waiting time, traveling time, and the alternatives available must all be considered. This basic criteria are that the means used must be fair and practical, must not interfere with the performance of the work and must not place an unreasonable economic burden upon the railways. Where there is a difference of opinion between an employee and his Supervisor in this regard, the local Union representative or the General Chairman and the Supervisor should confer in an effort to resolve the difference.

Where a work location is accessible by road the NQISL shall be under no obligation to provide assistance when the distance to be traveled is forty miles or less in one direction (eighty miles or less return).

The NQISL's obligation under this arrangement shall not exceed beyond the limits of the Region on which the employee is working.

For employees who are granted a mileage expense allowance, payment shall be limited to 3,500 miles in any one calendar month. However, under special circumstances, after discussions between the General Chairman and the General Manager, the latter has the flexibility to increase this maximum.

Administration

Claims for payment under the terms of this arrangement must be made monthly in accordance with Company instructions.

The provisions contained in this letter are effective immediately and all previous Weekend Travel Assistance letters are canceled.

The mileage allowance calculation referred to in (d) above will be put into effect on 1st of the month of the following quarter referred to in c) above. In the event the calculation reflects a reduction in the allowance, such reduction will not be applied.

If you are in agreement with the above, please sign your concurrence in the appropriate space below.

Signed in	this	_ day of		, 2001.	
For Canadian National Railway		For the Brotherhood of Maintenance of Way Employees		intenance	
Senior Vice-President Eastern Canada Division	1	System F BMWE Ea			al Chairman ederation
Vice-President Labour Relations					

APPENDIX 9 Recall Process (Article 16)

The Process

The person designated by the Company will recall, in seniority order, laid-off employees, including:

- employees on employment security status and in receipt of Employment Security benefits,
- those who have exercised their consolidated seniority into another line of promotion/another supplemental agreement
- and those who displaced into another line of promotion/another supplemental agreement under Article 17.11 of Agreement 10.1,

using a standardized form which will contain specific explanations to be given to the employees along with specific questions to be asked of the recalled employees.

Note: Employees who voluntarily bid from one supplemental agreement to another are not subject to this recall process.

Insofar as the voluntary recall procedure is concerned, employees will be informed of the following:

- Classification for which recalled
- If the position is permanent or temporary (if temporary the expected duration)
- The location (if applicable)
- The supervisor's name
- The gang number
- The expected starting date
- The reporting date & time
- Standard of accommodation

Employees who accept a recall to a permanent or temporary position:

- must report to work within 24 to 48 hours, and
- must secure the position or a position by bulletin

Employees <u>refusing a recall to a **permanent position**</u> will be advised by the person designated by the Company of the following:

1) They maintain their seniority in the classification for which recalled.

- 2) Job security benefits will be forfeited for the duration of assignment if assignment is at their home location.
- Employees will not be permitted to displace a junior employee on a permanent position until such time as the recalled employees reestablished themselves by bulletin on a permanent position in the classification refused.
- 4) Employees in receipt of Employment Security benefits will forever forfeit Employment Security protection.

Employees <u>refusing a recall to a **temporary position**</u> will be advised by the person designated by the Company of the following:

- 1) They maintain their seniority in the classification for which recalled.
- 2) Job security benefits will be forfeited for the duration of assignment if assignment is at their home location.
- 3) Employees in receipt of Employment Security benefits will forever forfeit Employment Security protection.

At the end of each day a copy of each recall form will be sent to the System Federation General Chairman.

If at the end of the voluntary recall, positions remain unfilled, the person designated by the Company will invoke the following procedure and start forcing qualified employees in the following order:

If the <u>recall is for a permanent position:</u>

- 1) In inverse seniority order, starting with the junior qualified employee laid off, including employees on Employment Security Status and in receipt of Employment Security benefits on the NQISL.
- 2) If positions remain unfilled, in inverse seniority order, starting with the junior qualified employees working in a lower classification on the NQISL.

If the <u>recall is for a temporary position:</u>

- 1) In inverse seniority order, starting with the junior qualified employee laid off, including employees on Employment Security Status and in receipt of Employment Security benefits at the location.
- If positions remain unfilled, in inverse seniority order, starting with the junior qualified employee laid off, including employees on Employment Security Status and in receipt of Employment Security benefits on the NQISL.

3) If positions remain unfilled, in inverse seniority order, starting with the junior qualified employees working in a lower classification on the NQISL.

In the case of a refusal, a three way conference call will be arranged with the employee, the office of the System Federation General Chairman and the person designated by the Company to ensure the employee is aware of the repercussion of his/her refusal. The conference call will be registered using a standardized form.

At that time, it should be mentioned to the employee that he/she must accept the assignment and that a refusal would result in the termination of his/her employment with the Company.

Employees will be asked questions such as:

- 1) Is there any valid reasons for not accepting this recall? (Sun Life, provincial workers' compensation board and authorized leave of absence)
- 2) Are you aware of the repercussion of your refusal?
- 3) Do you understand that if you do not accept this recall your employment relationship with the Company will be terminated?

At the conclusion of the three way conference call if the employee persists in refusing the recall, unless valid reasons are provided, a registered letter will be sent to the employee's last known address confirming the three way conference call and termination of his/her employment. The person designated by the Company will also attach to the letter a copy of the standard forms and pension documents for the employee to complete. A copy of the letter will be sent to the System Federation General Chairman.

APPENDIX 10 Questions and Answers — Articles 15 and 16

Filling Positions

1 Why did the Company and Union agree to SM-JM (senior may-junior must)?

Employees' concerns primarily with opportunities to work closer to their home locations and a desire for a more stabilized workforce led the Company and Union to developing this new approach. It is expected SM-JM will result in fewer employee moves and a more stabilized workforce.

General Seniority Provisions

2 What is SM-JM?

It is a system of filling jobs giving qualified employees in seniority order the option of accepting positions. In other words, the senior employee is no longer forced to fill positions.

3 What if the senior employee does not take the job?

If a senior employee does not accept the position he/she will not forfeit their seniority.

4 Who will fill the position?

All qualified employees from the senior to the junior have the opportunity to fill the position. If no one voluntarily bids, the junior qualified employee must fill the position.

5 What will happen if the junior employee does not accept the job?

The Company must ensure jobs are filled, therefore, when the junior employee does not report to the position he/she will forfeit employment with CN. However,

employees will still have the right to appeal under the grievance procedure. *(Items 12 & 21 Notes)

6 Are there any exceptions to this loss of employment?

The Company will take into consideration illness covered by the benefit plan (Sun Life), injury covered by worker's compensation or other valid cause for which a leave of absence has been granted. *(Items 12 & 21 Notes)

7 What will happen to seniority provisions in the collective agreement?

Except for Article 17.5(b) of Agreement 10.1, collective agreement provisions will be superseded by the SM-JM agreement. *(Item 4)

8 When will the SM-JM Agreement be implemented?

The Agreement will be implemented on March 1, 1999 for Agreement sections 1 to 3 inclusive. Section 4 dealing with displacements is effective July 1, 1999. The Agreement will remain in effect until December 31, 2000. The Company and Union will review the impact of the Agreement in 1999 and 2000 to ensure it is meeting agreed objectives. *(Items 1 & 34)

9 Will SM-JM affect Employment Security provisions?

Articles 7 & 8 of the ESIMP will remain in effect unchanged. This means, employees will be required to fulfill the requirements of Articles 7 & 8 in order to qualify for or maintain ES benefits. *(Item 5)

10 What will be the order for filling permanent and temporary positions?

Positions will be filled as usual after recall as outlined in Article 17 of Agreement 10.1. All qualified employees will have the opportunity to apply through the bulletining process. If no one applies, there is an order for ensuring positions are filled. All the steps of the process for filling either a permanent or temporary position are shown on the chart on page 20.

Bidding or Accepting Lateral or Lower Rated Position

I have a permanent position, but would like to bid to a lower classification. Can I and what will happen?

A new feature of SM-JM is that employees may now bid to lower positions. Employees holding a permanent position who bid to a lower permanent or temporary classification will maintain seniority in the higher classification. However, they:

- will forfeit their former permanent position
- cannot displace on a permanent or temporary position in the former classification until first obtaining a position by bulletin in the former classification
- must complete the temporary assignment if bidding from a permanent position to a lower temporary position
- will not receive expenses

*(Items 15a) & b))

12 I am on a temporary position and would like to bid on a permanent position in a lower classification. Can I?

Yes you can, but you will have to first complete your temporary assignment, then you can either displace on another temporary in the same classification or go to your new permanent position. *(Item 15c))

13 I have a permanent position. Can I bid to a temporary position in the same classification?

Yes, but you will not be entitled to expenses while on temporary assignments in the same classification as your permanent position. *(Item 6a))

Expenses

14 Will there be any changes to expenses under the SM-JM agreement?

Article 22 (Agreement 10.1) and Article 6 (ESIMP) will remain the same.

In some cases the application of Article 22 has been expanded.

15 What about filling permanent positions?

As in the past employees forced to permanent positions will be covered by ESIMP Article 6 - Relocation Expenses.

16 How will SM-JM affect expenses paid for filling temporary positions?

The basic provisions of Article 22 have not changed, however, the Company has agreed to allow expenses in some situations where employees voluntarily bid positions. The following is an outline of when expenses will be paid in accordance with Article 22:

- employees bidding to higher classifications
- laid-off employees who accept recall to temporary positions
- junior employees forced to a higher classification and
- laid-off employees forced to any classification

17 I am on a temporary position with expenses. I have an opportunity to bid another temporary in the same (or lower) classification closer to home but, I will still be more than 40 miles away. Will I still get expenses?

Yes, as long as there is no work available at your home location expenses will continue. *(Item 6c))

18 What is considered a higher classification?

In agreements supplemental to Agreement 10.1 (e.g. 10.3 Work Equipment, 10.8 Track and 10.9 B&S) the line of promotion in those agreements will determine what classifications are higher. Where there is no line of promotion or for moves between supplemental agreements the basic rate of pay will be used.

^{*(}Items 23 & 24)

19 Are there any exceptions to the above expense payments?

Only the normal exceptions where expenses will not be paid:

- if you are working within 40 miles of your permanent HQ or residence, or
- if you choose to bid a position beyond the 40 miles when you can hold work within the 40 miles in the same or higher classification than your bid position

*(Item 6b))

Recall from Layoff

20 Will the recall provisions be affected by SM-JM?

Present procedures will continue with the exception that senior laid-off employees are not required to accept recall. A senior employee who does not accept recall will not lose seniority, however, if the recall is at his/her home location, layoff benefits will be suspended for the duration of the recall.

The junior qualified employee must accept recall.

(Employees on ES are not on layoff and must accept work based on their seniority or forfeit ES benefits)

*(Item 29)

Special Rules for Welding Employees

I have a permanent Welding position on the District. If I bid a temporary position with EFO during the summer will I be paid expenses?

There are two options:

- if you choose to retain your permanent District position, expenses will not be paid
- if you forfeit your permanent District position you will be entitled to expenses under Article 22. However, you will not be able to displace on a permanent position in your former classification until first obtaining another permanent position by bulletin in your former classification.

^{*(}Items 25–28)

22 Why does Welding have this special rule?

Foremen Welder and Welder classifications are the only ones which exist on a permanent and seasonal basis. During the production season the movement of welding forces from permanent to seasonal positions has an adverse effect on operations. It was agreed the approach outlined in #21 above would stabilize the welding workforce and still provide employees on permanent positions the option of filling seasonal jobs in the same classification.

Displacements

I have read the displacement portion of the SM-JM agreement (items 34–46) but, what are the major changes from the former agreement?

The general concept for displacements has not changed, that is employees must displace to lateral positions, if unavailable, then into the next lower classification. Employees may return to higher classifications by bulletin.

The SM-JM Agreement provides some added displacement flexibility by allowing you to displace on temporary positions when permanent positions are available without losing any seniority. The consequences of this are outlined in question 25 below.

I will be affected by a normal displacement. If I do not follow the displacement process outlined in items 42 & 45 what will happen to me?

If your displacement is not caused by an Article 8 notice, and you choose not to follow the process outlined in items 42 & 45 of the SM-JM agreement, you will only be able to return to your former higher classification by bulletin. *(Item 44)

I will be displaced from my permanent position. There are two position available in the same classification as mine, one permanent the other temporary. Do I have to displace on the permanent position?

Under the SM-JM rules you can displace on either the permanent or temporary position. However, if you choose the temporary when a permanent is available, you will not be able to displace on a permanent in that classification until you have reestablished by bulletin on a permanent in that classification. *(Item 37)

26 Can I displace into lower classifications?

Yes. You will not lose your seniority in the higher classifications, however, if there are positions available in higher classifications you will not receive expenses and you will only be able to return to higher classifications by bulletin.

27 I will be displaced due to an Article 8 notice. How will the SM-JM agreement affect me?

If you want to maintain your Employment Security protection, you <u>must</u>, as in the past, displace on permanent positions if available. This is outlined in clause 46 of the SM-JM agreement. In essence you must protect permanent positions in descending order of your line of promotion. If you do not follow this line of displacement, (e.g. you displace to a temporary when a permanent is available) you will be in conflict with the agreement and forever forfeit Employment Security. *(Item 46)

I will be displaced from my temporary position. I do not own a permanent position, but there is a junior employee working on a permanent position in the same classification. Can I displace on that permanent?

Because you only have a temporary position, you will not be able to displace on permanent positions in that classification until you get a permanent position by bulletin in that classification. *(Item 38)

I have a permanent position, but I am working on a temporary in the same classification. The temporary will soon be over. What are my options?

You can return to your permanent or displace on another temporary in the same classification.

30 Most of my seniority is in the Track Department, but I also have seniority in the B&S supplemental agreement. If I get displaced from my ATMF position can I go directly to work in the B&S department?

No, you will be required to exhaust your seniority in the supplemental in which you were displaced prior to displacing into another supplemental. *(Item 40)

31 Will I be entitled to expenses when displacing?

When you are <u>required</u> to displace away from home, expenses under the provisions of Article 22 will apply.

32 Are there any situations where expenses will not be paid when I must displace?

Expenses will not be paid when you displace to a position away from your home location when work is available at your home location. *(Item 36)

APPENDIX 11

April 3, 1997

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

Sir.

This has reference to our discussions with your representatives over the last few months with respect to work cycles and working conditions of employees of the Northern Quebec Internal Short Line. Following are the major points on which we came to an agreement.

The underlying principles of the proposed reorganization are: the preservation of employment, continuous coverage of operations and cost reduction. It can been seen in Appendix A that the reduction in costs will generate extra work for members of the B.M.W.E. and favor those holding NQISL seniority.

Your representatives had expressed some concerns about the so called 4-3 work cycles because almost every week-end was shortened. Together we were able to create a new cycle called 5-4-3-2 which frees up a four day week-end every 14 days. This type of schedule would be in effect at every section except for the sections of Matagami, Lasarre and Chibougamau which would work a four day cycle every Monday to Thursday. We agreed that the majority of the permanent employees would be less affected with this type of cycle and that some would find it advantageous. The additional maintenance crews that we will operate this year must have a schedule that will allow matching when necessary the schedule of the sections within which they will work. To facilitate the process, personnel movements will generally be put in effect to coincide with pay periods.

It is understood that since the basic work day becomes 10 hours so does the vacation day. As an example, employees with 25 vacations days will now have 20 which in both cases would represent 5 weeks of holidays. A more detailed example is presented in Appendix B. With the smaller number of employees working simultaneously, you will understand that we will have to manage employees vacation better.

To reduce certain irritants which were brought to our attention by the Brotherhood, the NQISL also proposes the following measures:

- 1) permanent employees required to take a meal away from their headquarters will be entitled to a meal allowance of \$6.50;
- 2) temporary employees required to stay in accommodations equipped with a kitchen will be afforded a per diem allowance of \$15.92. Such temporary employees will also be entitled to the meal allowance of \$6.50 provided they are required to take their meals away from their headquarters;
- 3) permanent employees required to spend the night away from their headquarters will be afforded a daily meal allowance of \$29.80. The same allowance will also be paid to temporary employees moving from one location to another every day; Note that the \$6.50 allowance will not be paid in addition to the \$29.80 allowance:

The above mentioned per diem allowances will be adjusted to reflect any changes in the allowances as stated in article 22.1 and 22.4 of collective agreement 10. 1.

- 4) permanents employees will continue to be accommodated in our installations if they require it. It is understood that permanent employees using these facilities must be ready to do their own housekeeping;
- 5) make sure that employee working at night or in remote areas will not work without being accompanied by a B.M.W.E. employee;
- 6) General holidays will be paid on a 10 hour basis. General holidays will be moved to allow longer rest periods.

These proposals represent a major change in our daily operations and in the life of our employees. Therefore, we propose that this agreement be valid for one year starting on the 4th of April 1997. It will be re-conducted afterwards, year after year, unless one of the parties signifies to the other its intention to cancel or revise it by a written notice which must be served 90 days before the expiry date of the agreement. It is understood that this letter of understanding is applicable to NQISL employees only and will not be used by either party in other negotiations.

If you are in agreement with the preceding, please indicate so by signing below.

(signed RA Bowden) (signed JM Montigny)

System Federation General Chairman General Manager B.M.W.E. Eastern System Federation NQISL

N.Q.I.S.L. – Engineering

Appendix A

April 3, 1997

R.A. Bowden
System Federation General Chairman
Brotherhood of Maintenance
of Way Employees
2775 Lancaster Road, Suite 3
Ottawa, Ontario
K1B 4V8

Sir,

This will further explain our financial position with respect to the new work cycles. Our intention is to reduce overtime expenditures and to re-allocate the savings in such a way as to make the Northern Quebec Internal Short Line more efficient and to increase stability in the work force.

In 1996 roughly 20,000 overtime hours were worked by members of the B.M.W.E. at a total cost, i.e. including marginal benefits, of \$600,000. We estimated that the new cycles would reduce this by 50% or \$300,000. This money was reallocated as such:

- 1) \$125,000 to cover new \$6.50 meal allowance
- 2) \$115,000 to cover two additional welding crews for six months: one is Hervey-Junction and one in Val d'Or. These crews can be comprised of one foreman welder and one track maintainer. The maintainer must have the suitability or ability to perform the work. This would be done to encourage the recall of NQISL employees first.
- 3) \$60,000 for annual holidays replacement in our seven 2 men section.

With these additional positions, our expected track foreman and maintainer count through for the months of June through October, as shown in Annex 1, should be sufficiently high to provide work for all NQISL employees in those categories. You will recall that last summer some were not recalled and some worked for as little as two weeks.

It is to be noted that as of pay period six in 1997 more than 7200 overtime hours are already spent. Although we still plan to carry through with the above reallocation, we

had to shorten the season of some work equipment machines to stay within budget. Indeed, we monitor our budget bi-weekly and react accordingly. Although our efforts are always first aimed at reducing material expenses rather than manpower count, reduction in planned temporary staff will inevitably follow lack of implementation of this agreement.

It is also to be noted that these calculations were independent of the additional NQISL temporary staff which resulted in PMI workload transfer from E.L.O.E. to the short line.

I hope this helps your understanding of the situation.

(signed Sandro Scola, P.Eng) Sandro Scola, P.Eng NQISL Engineer

N.Q.I.S.L. – Engineering

Appendix B

April 3, 1997

R.A. Bowden System Federation General Chairman Brotherhood of Maintenance of Way Employees 2775 Lancaster Road, Suite 3 Ottawa, Ontario K1B 4V8

Sir,

This is to further your request for clarifications with respect to the equivalency of the proposed vacation with pay with the existing system. Here is a detailed example worked out for both existing and new schedules. The basic premise is that ten eight hour days of vacation are equivalent to eight ten hour days of vacation. Specifically:

- an employee working on a eight hour day cycle takes ten vacation days in July from the 14th to the 25th. He leaves on the 11th of July and comes back to work on the 28th. He could therefore leave for a period of sixteen days during which he took ten vacation days (80 hours).
- 2) an employee working on schedule one takes eight vacation days from the 14th to the 23rd (July 14,15,16,19,20,21,22,and 23). He leaves on vacation Wednesday July 9 and comes back to work Monday July 28. He could therefore leave for a period of eighteen days during which he took eight vacation days (80 hours).
- 3) an employee working on schedule two takes seven days vacation from the 16th to the 27 July (July 16,17,18,23,24,25,and 26 July 27 being a displaced general holiday). He leaves on vacation on Sunday July 13 and returns to works on Wednesday July 30. He could therefore leave for a period a sixteen days during which he would have taken eight vacation days but only used seven because of the displaced general holiday. One can note that the employee could have moved his vacation to leave on the 4th of July and return to work on the 23. In this case he would have taken eight vacation days (July 9,10,11,12,13, 16 17,and 18) to leave for a total of eighteen days.

I hope that this example clearly shows the equivalency of the vacation days and the advantages the employees might find in the new schedules when taking their annual vacation days.

(signed Sandro Scola P. Eng) Sandro Scola, P.Eng. N.Q.I.S.L. Engineer

MEMORANDUM OF AGREEMENT

between

CANADIAN NATIONAL RAILWAY (CN)

- and -

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS Council No. 11

Governing

Rates of Pay and Working Conditions for Employees

On

The Northern Quebec Internal Short Line (NQISL)

FEBRUARY 1, 2002

PREAMBLE

The parties to this Agreement agree that the fundamental objective of the railway, its management and employees is to provide service to its customers in the most efficient manner. This Agreement is to be based on harmonious relationships and cooperation. Any differences must be settled through rational common sense methods. The basis for the relationship between the NQISL and the Union is one of cooperation for the benefit of the stakeholders of this Agreement.

In order to successfully promote these concepts, the parties have agreed to recognize and make provisions for an orderly system of collective bargaining relations between the NQISL and the Union, that encourages prompt and orderly resolution of grievances, the effective operation of the NQISL business without interruptions or interference with work and the provision of the highest quality service to the NQISL's customers in the most efficient manner possible.

The NQISL shall include the following subdivisions:

- Lac St. Jean Subdivision between milepost 0.00 and 204.45;
- Roberval Subdivision between milepost 0.00 and 57.50;
- Cran Subdivision between milepost 0.00 and 133.20;
- Chapais Subdivision between milepost 0.00 and 78.06;
- Chapais Subdivision between milepost 169.4 and 199.1;
- Matagami Subdivision between milepost 0.00 and 61.3;
- Val d'Or Subdivision between milepost 0.00 and 101.2:
- Taschereau Subdivision between milepost 0.00 and 99.00;
- St. Maurice Subdivision between milepost 0.00 and 257.2;
- La Tuque Subdivision between milepost 43.70 and 125.4;
- Joliette Subdivision between milepost 40.10 and 71.38;

Note: The parties hereto acknowledge that amendments, including the addition of subdivisions or parts of subdivisions, may be made to the above list, upon mutual agreement.

ARTICLE 1 — DEFINITIONS

- **1.1** The term "Union" shall mean the duly elected or appointed officer of the International Brotherhood of Electrical Workers, Council No. 11.
- **1.2** The term "Representative" of the employee shall mean the duly accredited representative designated by the Union.
- **1.3** The term "NQISL" shall mean the Northern Quebec Internal Short Line.
- **1.4** The use of the word "days" will mean calendar days unless otherwise indicated herein.

1.5 In this Agreement, words importing the singular shall include the plural and vice versa where the context requires. The use of such words as "he", "his" and "him" as they appear in the Agreement are not intended to restrict the application of the Agreement of a particular rule to a particular gender, but are used solely for the purpose of grammatical convenience and clarity. Accordingly, words importing the masculine gender shall include the feminine gender where the context requires.

ARTICLE 2 — RECOGNITION

- 2.1 The NQISL recognizes the following Union as the particular sole bargaining agent for those employees covered under their bargaining certificate, issued by the Canada Labour Relations Board, or Article 21.8;
 - IBEW—System Council No. 11: All Signals and Communication employees

<u>ARTICLE 3 — MANAGEMENT RIGHTS</u>

3.1 It is Management's right to determine the means, methods, processes, materials, and schedules of production; to fully utilize its workforce and equipment; and to optimize the efficiency of its operations.

<u>ARTICLE 4 — TERM OF AGREEMENT</u>

- **4.1** Unless otherwise provided, this Agreement covers all members of the International Brotherhood of Electrical Workers Council No. 11 working on the Northern Quebec Internal Short Line.
- 4.2 The term of this Agreement shall be from the date of the ratification until December 31, 2007, and shall be continued until it is revised, amended, or canceled by either party's giving notice in writing to the other within one hundred and twenty (120) days prior to the expiration date hereof of that party's intention to terminate the Agreement or negotiate revisions hereto.
- 4.3 This provision shall not be construed as to constrain the parties to this Agreement from making any changes to or from adding to the scope or application of, or from extending the provisions of this Agreement during the term of this Agreement that are mutually acceptable.
- 4.4 Rules necessary to meet local conditions may be negotiated and made effective, subject in each case to the approval of the General Manager of the NQISL and the System General Chairman. Either party may cancel the rules on giving thirty (30) days' written notice.

<u>ARTICLE 5 — NO STRIKES OR LOCK-OUTS</u>

5.1 It is agreed that the NQISL will not lock out any employee covered by this Agreement and the employees' Union will not authorize, organize or take part in any strike, picketing of the NQISL, work stoppage or slowdown, during the life of this Agreement. The NQISL reserves the right to discipline, including the right to terminate the employment of, any employee taking part in any violation of this provision of the Agreement, subject to the employee or Union exercising their rights under Article 7.2 of the Agreement starting at Step 2.

ARTICLE 6 — SENIORITY

- 6.1 Seniority lists shall be updated and posted at the headquarters locations of all employees concerned, on or before June 30 and December 31 of each year. A copy of said list shall furnished to all Local Representatives and the System General Chairman. Such lists are to be in seniority sequence and will include Company service date and classification.
- 6.2 Seniority lists shall be open for correction for a period of ninety (90) calendar days on presentation in writing of proof of error by the employee or Union representative to the employee's immediate supervisor.
- **6.3** Except by agreement between the System General Chairman—IBEW and the appropriate Company officer, seniority standing shall not be changed following the 90-day period.
- 6.4 The parties agree to allow employees to hold seniority in more than one Bargaining Unit. Employees working a position in another Bargaining Unit will be required to maintain payments of a Union assessment to their original Bargaining Unit in order to maintain their seniority in that Unit. If they decide not to remit the assessment, the Bargaining Unit will advise the proper NQISL officer that their name will be removed from all seniority lists of the original Bargaining Unit.
- New employees shall not be regarded as permanently employed by the NQISL until they have completed 90 days actually worked within 24 months of their hiring date. In the meantime, unless removed for cause which, in the opinion of the Company renders them undesirable for its service, employees shall accumulate seniority from the date they entered employment with the Company in the Bargaining Unit.
- **6.6** Except as provided otherwise, employees occupying temporary positions who are awarded a permanent position will be required to fill such position immediately following the award unless they have indicated on their application that they will occupy the permanent position on conclusion of the temporary job.

6.7 The names of employees who have been or are promoted to official or excepted positions with the Company or one of its subsidiaries shall be continued on the seniority list for the group from which they are promoted, and they shall retain their seniority rights and continue to accumulate seniority while so employed. If released from their new positions, employees promoted to temporary official or excepted positions may return to their former positions; those promoted to permanent official or excepted positions may only displace junior employees or bid on vacant positions in their seniority group on their seniority territory.

<u>ARTICLE 7 — GRIEVANCE AND ARBITRATION PROCEDURE</u>

- **7.1** Employees will not be suspended or dismissed without just cause.
- **7.2** A grievance concerning the interpretation, or alleged violation of this Agreement, or an appeal by an employee who believes he has been unjustly dealt with shall be handled in the following manner.

Employees will confer with their immediate supervisor within 7 calendar days of the occurrence of an alleged grievance. The Local Representative may be present at this conference. Should this conference not be held or the alleged grievance not be resolved, the grievance can be progressed in accordance with the following procedure.

Step 1

A grievance concerning an alleged violation of this Agreement shall be presented in writing to the General Supervisor within 21 calendar days of the date of cause of such grievance. The General Supervisor—Engineering will give the decision in writing within 21 calendar days of the receipt of the grievance.

Step 2

Grievances not resolved at Step 1 may be appealed in writing to the General Manager (or his delegate) by the Senior System General Chairman (or his/her designate) within 21 calendar days of the decision rendered by the General Supervisor—Engineering. The General Manager shall render a decision within 21 calendar days of the date of the appeal.

- **7.3** A grievance that is not resolved may be referred to arbitration in accordance with Appendix 5.
- **7.4** When a decision is not rendered by the appropriate officer of the NQISL within the appropriate time limits, the grievance may be progressed to the next step in the grievance procedure.

- 7.5 In instances of grievances concerning an alleged violation which involves a claim for unpaid wages, if a decision is not rendered by the appropriate officer of the NQISL within the time limits specified, such time claimed will be paid. Payment of time claim in such circumstances will not constitute a precedent or waiver of the contentions of the NQISL in that case or in respect of other similar claims.
- **7.6** Time limits specified in this Article may be extended by mutual agreement between the Senior System General Chairman (or his/her designate) and the General Manager.

<u>ARTICLE 8 — LEAVE OF ABSENCE</u>

- 8.1 The Company may grant leave of absence without pay to any employee for a legitimate personal reason (including education), and such leave will not be unreasonably withheld. To be valid, every application must be submitted in writing and approved by the Company in writing, a copy of which will be furnished to the System General Chairman. Employees on a valid leave of absence shall not be considered to have been laid off and their seniority shall continue to accumulate during their absence. The Company will not unreasonably deny a written request for an extension to a leave of absence. Employees must maintain and remit directly to the Union a Union assessment while on leave of absence to maintain their seniority and return rights.
- **8.2** Employees on leave of absence from the NQISL may not work for another employer unless the Union and the NQISL mutually agree. Employees who engage in such other employment without the consent of the Union and the NQISL shall forfeit their seniority and their name shall be removed from any seniority list under which they held seniority.
- 8.3 Employees elected or appointed to a Union position or as a delegate to any Union activity requiring leave of absence shall be granted leave for the term of office or until completing the activity, as the case may be, for which leave of absence was granted. Applications for, or renewal of such leave, for periods of one month or more must be made to the General Manager of the Northern Quebec Internal Short Line. Any elected Union officer on leave of absence from his regular position will be credited with compensated service for all time served in his elected position. Pass transportation will be granted in accordance with Company policy.

Note: Union positions referred to above shall be no lower than the rank of Local Representatives or the person designated by the IBEW—Council No. 11.

8.4 Employees shall, if desired, be granted leave of absence and free transportation at least six times each year to attend their meetings. Such free

transportation shall not extend beyond their Region; leave of absence shall not exceed five working days and then only when consistent with good service and provided the Company is not put to any additional expense. It is understood that transportation issued in accordance with this Article shall not interfere with the issue of transportation in accordance with the Company's general regulations.

ARTICLE 9 — VACATIONS

- **9.1** Employees who qualify will receive vacation pay as follows according to their seniority.
- **9.2** An employee will be compensated for vacation at the rate of pay he would have earned had he not been on vacation during such period or the percentage of the gross earning listed below (whichever is higher).

Years of continuous service as of January 1 of current year	Months of cumulative compensated service as of December 31 of previous year	Ratio vacation days to days worked and/or available for service or major portion thereof — previous year	Maximum entitlement	Percentage of previous year's gross earnings
Less than 4	Less than 40	1 per 25	2 weeks or 80 hours	4%
4 to less than 9	40 or more, but less than 100	1 per 16 2/3	3 weeks or 120 hours	6%
9 to less than 19	100 or more, but less than 200	1 per 12 1/2	4 weeks or 160 hours	8%
19 to less than 28	200 or more, but less than 290	1 per 10	5 weeks or 200 hours	10%
28 and over	290 or more	1 per 8 1/3	6 weeks or 240 hours	12%

NOTE: At the beginning of the current calendar year, employees who will meet all the qualifications as set forth in paragraph 9.2 during the calendar year will be granted a vacation allotment scheduled as though they do meet all such qualifications at the beginning of the calendar year. Any vacation granted for which employees do not subsequently qualify will be deducted from the employees' vacation entitlement in the next calendar year. If such employees' employment relationship with the Company is terminated for any reason prior to a subsequent vacation period, an adjustment will be made at the time of such termination.

- **9.3** Vacation time shall not be accumulated from one year to the next.
- **9.4** One month of cumulative compensated service consists of 21 working days or major portion thereof.
- 9.5 Vacation requests must be submitted in writing to the employee's supervisor no later than January 31 of each year. When submitting their requests, employees must include a number of choices in case duplicate requests for the same vacation times are received.
- 9.6 Vacation dates will be assigned no later than February 28 of each year, and employees shall, unless otherwise mutually agreed, take their vacation on the set dates. The NQISL reserves the right to grant or deny vacation request choices based on the needs of its operations. An employee whose request is refused may contest the decision starting at Step 1 of the procedure set out in paragraph 7.2.

<u>ARTICLE 10 — GENERAL HOLIDAYS</u>

- 10.1 The NQISL recognizes the following days as paid holidays: New Year's Day, January 2, Good Friday, Victoria Day, Quebec's "fête nationale" (June 24), Canada Day, first Monday in August, Labor Day, Thanksgiving Day, Christmas Day, Boxing Day.
- **10.2** When a general holiday occurs during an employee's vacation, the employee shall be entitled to an extra day's paid vacation.
- **10.3** In order to qualify for pay for any one of the holidays specified in paragraph 10.1, an employee must:
 - (a) Have been in the service of the Company and available for duty for at least 30 calendar days. This provision does not apply to an employee who is required to work on the holiday.
 - (b) Be available for duty on the holiday if it occurs on one of his or her work days, excluding vacation.

This provision does not apply in respect of an employee who is laid off or suffering from a bona fide injury, or who is hospitalized on the holiday, or who is in receipt of, or who subsequently qualifies for, weekly sickness benefits because of illness on such holiday.

A regularly assigned employee who is required to work on such general holiday shall be given an advance notice of four calendar days, except for unforeseen exigencies of the service, in which case he will be notified not later than the completion of his shift or tour of duty immediately preceding such holiday that his services will be required.

(c) Be entitled to wages for at least 12 shifts or tours of duty during the 30 calendar days immediately preceding the general holiday. This provision does not apply in the case of an employee who is required to work on the holiday.

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 subparagraph 10.3 (c).

- 10.4 An employee who is required to work on a holiday shall be paid, in addition to the pay stipulated by this Agreement, his or her regular pay plus 50% for hours worked that day, and shall be guaranteed at least three hours for which three hours of service may be required. He or she may also be required to do other work necessitated by an emergency or unforeseen situation that arises after he or she has been called in to work.
- 10.5 Employees who are not required to work on a general holiday shall be paid eight hours' pay at the straight time rate of their regular assignment. When a general holiday falls on an employee's rest day, the employee shall take such holiday either on the regular working day immediately following the employee's rest day or at such other time upon which the Union and the NQISL agree.

Note: Employees working a cycle other than 8 hours per day will be compensated for an equal number of hours for the general holiday when they qualify (e.g., 4 days at 10 hours per day).

ARTICLE 11 — BEREAVEMENT LEAVE

- 11.1 Upon the death of the employee's spouse, child or parent, an employee shall be entitled to five days' bereavement leave without loss of pay provided that he has no less than three months' cumulative compensated service.
- 11.1 Upon the death of the employee's brother, sister, step-parent, mother-in-law, father-in-law, step-brother, step-sister, grandchild or grandparent, an employee shall be entitled to three days' bereavement leave without loss of pay provided that he has not less than three months' cumulative compensated service. It is the intent of this Article 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.

- **11.2** Employees who while on annual vacation are bereaved shall be entitled to suspend their vacation and revert to be eavement status in accordance with the above.
- 11.3 In the application of this Article, "employee's spouse" means 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, it means the person that qualifies as spouse under the definition of that word in Section 2 (1) of the Canadian Human Rights Benefits Regulations, as long as such person is residing with the eligible employee.

ARTICLE 12 — JURY DUTY AND ATTENDING COURT

- 12.1 Employees held off duty by order of the NQISL to attend court or coroner's inquests in legal cases in which the NQISL is involved, or subpoenaed by the Crown in such cases, will be paid for such time at the basic hourly rate. Actual reasonable expenses will be allowed when away from normal work location.
- **12.2** Employees who are required to lose time from their assignments as a result thereof shall be paid for actual time lost.
- 12.3 Employees who are summoned for jury duty and who are required to lose time from their assignment as a result thereof shall be paid for actual time lost less the amount allowed for jury duty for each such day, excluding allowances paid by the court for meals, lodging or transportation subject to the following requirements and limitations;
 - (a) An employee must furnish the NQISL with a statement from the court of detailed jury allowances paid and the days on which jury duty was performed;
 - (b) The number of working days for which jury duty pay shall be paid is limited to a maximum of 90 days in any calendar year;
 - (c) No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee who has been allotted his vacation dates will not be required to change his vacation because he is called for jury duty.
 - (d) Notwithstanding the provisions contained in the last sentence of subparagraph (c), an employee's annual vacation will, if he or she so requests, be rescheduled if it falls during a period of jury duty.

<u>ARTICLE 13 — DISCIPLINARY MEASURES</u>

13.1 The parties agree that the disciplinary procedure shall be that agreed by CN and the IBEW Council No. 11 under the terms of Appendix H of the Memorandum of Agreement of January 30, 2001.

ARTICLE 14 — DEDUCTION OF UNION ASSESSMENT

14.1 The NQISL will make the arrangements to deduct and remit the appropriate assessment to the Union as advised by it.

<u>ARTICLE 15 — BULLETINING AND FILLING POSITIONS</u>

- 15.1 When a vacancy occurs for which a replacement is required or a new position is created within the Bargaining Unit on the NQISL, the Company shall distribute a notice of the position to all S&C employees working on the NQISL and to members of Champlain West districts. Applications must reach the designated officer no later than the tenth (10th) day after the date of the bulletin. A copy of the notice shall be delivered to the Local Representative and System General Chairman.
- **15.2** The notice of position shall contain the following information:
 - (1) home location
 - (2) assignment territory
 - (3) job classification
 - (4) hours of work
 - (5) qualifications required
 - (6) whether job is permanent or temporary, and term, if temporary
 - (7) salary and standby allowance, if applicable
 - (8) rest days and call days, if applicable
- **15.3** Appointments shall be made by the supervisor issuing the bulletin. Employees will be awarded bulletined positions in order of seniority provided they are qualified.
- **15.4** Except as otherwise provided in paragraph 15.10, an employee who has been awarded a position by bulletin will be transferred to such a position, where practicable, within thirty (30) days of the award, time of such transfer not to exceed forty-five (45) days.

In the event the Company is unable to release an employee within thirty (30) days of the date of the award, such employee shall, if the rate of the position awarded him is higher than the rate of his present position, be paid the higher rate after the expiration of the thirty (30) days. If applicable, such higher rate

will also apply to that portion of an employee's compensation referred to as a standby allowance.

The above time limits may be extended by mutual agreement between the employee, the Local Representative and the appropriate officers of the Company.

15.5 Permanent new positions or vacancies and temporary positions or vacancies, which it is known will exist for ninety (90) calendar days or more, will be bulletined in the NQISL and the Champlain West district. The local IBEW representative shall be consulted if the Company is unable to release an employee from a temporary vacancy at the expiration of ninety (90) days because of unforeseen circumstances.

15.6

- (a) A new position or vacancy expected to be in existence in excess of ninety (90) days, but not more than one (1) year, will be bulletined as temporary. Such positions shall be deemed to be without a home location. When it is known that a position that has been bulletined as temporary will exceed one (1) year, it will be bulletined as permanent, except when such position or vacancy is due to the medical disability of the regular incumbent or when an employee is promoted temporarily to an official or excepted position.
- (b) If a temporary vacancy exists due to an employee's being temporarily promoted to an official or excepted position, the vacancy will be bulletined once per year as specified by this subparagraph 15.6(a).
- (c) If a temporary vacancy exists due to the medical disability of the permanent incumbent for a period of more than one year, the System General Chairman and the proper officer of the Company will meet to discuss the proper course of action that should be taken.
- 15.7 An employee may cancel his application provided the cancellation reaches the issuing officer on or before the closing date of the bulletin. An employee may bid on a vacancy created by himself but will not be appointed to such vacancy unless there are no other applicants, or until it again becomes vacant. New positions or vacancies may be filled temporarily pending appointments.
- 15.8 Employees appointed by bulletin to permanent positions in a seniority group will be accorded a seniority date in such group, and in all lower rated groups in which they have not previously established seniority, from the date of appointment by a bulletin. However, a Coordinator will only acquire S&C Technician seniority rights as of the date he is awarded such a position. An employee appointed to a permanent vacancy or new position by bid in a lower rated seniority group will forfeit his seniority in all higher rated groups. In no

case will an employee be permitted to bid down into the Apprentice classification.

15.9

- (i) An employee will be permitted to a fill a temporary assignment in his own or a higher classification and when released, will return to his regular position unless it has been abolished or filled by a senior employee in the exercise of displacement rights, in which event the returning employee will exercise his displacement rights.
- (ii) When an employee is released from a bulletined temporary assignment, he may displace a junior employee on another bulletined temporary assignment before returning to his regular position.
- (iii) When an employee on a temporary assignment is the successful applicant for a bulletined permanent assignment, he may take the permanent assignment or complete the temporary assignment.
- **15.10** At their request, Local Representatives and the System General Chairman shall be provided with names of successful applicants. If no candidate is appointed then the Local Representatives and the System General Chairman shall be so notified.
- 5.11 Senior qualified employees within each Bargaining Unit on the NQISL will be given first preference over qualified employees from other Bargaining Units when filling new positions or vacancies coming within their respective Bargaining Units.
- **15.12** When a job is filled in accordance with the job posting procedure, the successful employee will undergo a reasonable trial and instruction period. When a job is posted within a Bargaining Unit, the employees of another Bargaining Unit shall have priority over new employees if there is no candidate within the Unit who exercises his rights to the posted positions.
- **15.13** Employees who have been appointed pursuant to this Article, and who fail to meet the requirements of the job to which they have been promoted, shall return to their former position and they shall not lose their seniority in their former classification.
- **15.14** Bulletined positions may be filled temporarily by an immediately available qualified employee pending the assignment of the successful applicant.
- **15.15** Any appeal against appointment must be made in writing in accordance with the grievance procedure as stated in Article 7.
- **15.16** A vacancy created as a result of an employee being on a leave for illness or injury or authorized leave of absence will be advertised as temporary. Should

the employee not return to work for a period of one year, the position, will then be advertised as permanent unless otherwise agreed with the System General Chairman. An employee who returns to work after one year will be required to exercise his or her displacement rights. To maintain their seniority and return right, all employees will be required to remit a Union assessment while on leave for any reason. They will be notified by the Union of the amount of assessment.

- **15.17** Should there be a shortage of employees holding seniority in a specific classification, a notice of position will be distributed to employees with seniority in other classifications. The NQISL and the Union will undertake to develop the specifics of the bulletining process in the 120 days following ratification of this Agreement.
- **15.18** Positions of technicians and coordinators are subject to the specific rules of Collective Agreement 11.1 with regard to bulletining of and appointment to positions.

<u>ARTICLE 16 — STAFF REDUCTION AND RECALL TO SERVICE</u>

- 16.1 Not less than four working days' advance notice will be given to the employees affected when regularly assigned positions are to be abolished, except in the event of a strike or a work stoppage by employees in the railway industry, in which case a shorter notice may be given.
 - (i) Employees affected by a staff reduction shall exercise their seniority to occupy a permanent or temporary position on their Region or by displacing a junior employee in their group or a junior employee in a lower seniority group. If they elect to displace in a lower seniority group, they must displace to a permanent position and shall forfeit their seniority in all higher groups than the one in which they elected to displace.

When the permanent assignment of employees filling a temporary assignment is abolished or filled by a senior employee in the exercise of displacement rights, they must declare the permanent position on which they will exercise their displacement rights.

Employees who have exhausted their displacement rights in their classifications will be permitted to fill a bulletined position in the next lower classification until an appointment is made. Such employees will be required to exercise their displacement rights if a more senior employee bids the position, otherwise they will be appointed to fill the position.

Similarly, employees affected by a staff reduction will be permitted to fill a bulletined permanent vacancy in their own classification until the appointment is made. Such employees will be required to exercise their displacement rights if a more senior employee bids the position, otherwise they will be appointed to fill the position.

- (ii) Employees shall forfeit their seniority if they do not notify the officer in charge and the Local Representative in writing of their choice within 10 calendar days of the date notified of displacement or abolition of their position.
- (iii) Unless otherwise mutually agreed by the employee affected and his or her immediate superior, an employee who has given notice of intent to displace a junior employee shall forfeit his or her seniority and his or her name shall be removed from the seniority list if he or she fails to or refuses to commence work on the position he or she has chosen within 20 calendar days of making the choice. An employee who is unable to hold work on his or her Region shall be laid off.
- 16.2 Employees reduced to a lower seniority group through staff reduction shall continue to accumulate seniority in the group or groups from which reduced. Such employees must return in order of seniority to advertised permanent positions in such higher group or groups or forfeit seniority in such higher group or groups. Such employees will be given preference in order of seniority in filling temporary positions or temporary vacancies in such higher seniority group or groups, but failure to accept same will not result in forfeiture of seniority.

When an employee is demoted or restricted for cause, his displacement rights will be mutually arranged between the System General Chairman and the proper officer of the Company. If no agreement is reached by the parties, he will exercise his seniority to displace the junior employee in the next lower classification to which his seniority and qualifications entitle him to work.

16.3 Employees laid off on account of reduction in forces shall be returned to the service in order of seniority. Employees desiring to avail themselves of this rule must file their names and addresses with the proper officer. Employees who have performed no service under this Agreement during the preceding calendar year, may be removed from the seniority list by agreement between the System General Chairman and the General Supervisor - Engineering or appropriate officer. Employees must report for duty within seven days of notification by registered mail or they will be considered as having severed their employment relationship. Employees who have responded to recall may have up to 30 days to report for duty if they have a satisfactory reason for so doing. Such employees will be eligible to take the next vacancy but will not have the right to displace the employee who accepted the recall.

- 16.4 A laid-off employee who is working elsewhere when recalled may, without loss of seniority, elect to decline to recall to vacancies or positions of less than 45 days, provided that another laid-off employee in the same classification is available and written application is made to the recalling officer within three days of receiving the notification to resume duty.
- 16.5 CN employees must exercise all their seniority rights at CN in accordance with the applicable collective agreement and face layoff before being able to displace NQISL employees.
- **16.6** NQISL employees must exercise all their seniority rights at the NQISL in accordance with the applicable collective agreement and face layoff before being able to displace CN employees.
- 16.7 Laid-off employees must keep the appropriate officer advised of their address and telephone number, in order that they may be readily located. In order to be recalled, employees must have paid their assessment directly to the Union.

ARTICLE 17 — HOURS OF SERVICE AND MEAL PERIOD

- 17.1 Except as otherwise provided, eight or ten consecutive hours, depending on the cycle, exclusive of meal period, which shall be 30 minutes, unless otherwise agreed between the employees and the supervisor involved, shall constitute a day's work.
- **17.2** Regular day shifts shall start at or between 0600 hours and 1000 hours.
- **17.3** Regular assignments shall have a fixed starting time which will not be changed without twenty-four (24) hours' notice to the employees affected.
- **17.4** Any change in starting time is subject to employees' being afforded eight hours' rest between tours of duty.
- 17.5 When eight or ten hours of continuous service are required in regular operations, twenty minutes will be allowed for a meal without loss of pay. Except as otherwise agreed locally, meal breaks shall be taken between the end of the fourth hour and the start of the seventh hour following the start of the shift, as long as this does not affect operations.
- 17.6 Employees whose regularly assigned shifts commence between 1400 hours and 2159 hours shall receive a shift differential of 50 cents per hour, and employees whose regularly assigned shifts commence between 2200 hours and 0559 hours shall receive a shift differential of 55 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 vacation, general holidays, etc.

ARTICLE 18 — WORK WEEK

- **18.1** Unless otherwise excepted herein, the 40-hour work week shall consist of five days of eight hours each.
- 18.2 Unless otherwise provided in Article 31, rest days shall be consecutive. The assignment of rest days shall be in accordance with the work cycles described in this Article 18 and scheduled by the NQISL at the beginning of each year after agreement with the Union as per 18.4.
- 18.3 The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work, and for laid-off or unassigned employees shall mean a period of seven consecutive days starting with Monday.
- 18.4 Various work cycle arrangements may be established by mutual agreement between the appropriate officer of the Company and the System General Chairman. Such work cycles may include 4 work days (10 hours each) followed by 3 rest days, 8 work days (10 hours each) followed by 6 rest days, or 7 work days (11.2 hours each) followed by 7 rest days, for example. Where such agreement is reached, the parties will make application in accordance with the provisions of the Canada Labour Code.
- 18.5 It is understood that the various work cycle arrangements are for the purpose of meeting the Company's operational requirements or to provide employees working long distances from home sufficient time to return home on their rest days.

<u>ARTICLE 19 — OVERTIME AND CALLS</u>

- **19.1** Except as otherwise provided herein, time worked in addition to the regulation 8 or 10 hours, depending on the cycle, exclusive of meal period, shall be considered to be overtime and paid on the actual minute basis at the rate of time and a half.
- 19.2 Except as otherwise provided, an employee called in case of an emergency or a temporary urgency outside of his regular assigned hours, after having been relieved, will be paid a minimum of three hours at overtime rates for which three hours of service may be required. They may also be required to perform work other than that of the emergency or an unforeseen situation that may arise subsequent to the call. If, however, employees are called to commence work less than two hours before their regular starting time, the time will be computed continuously with the regular day's work, and the time before the regular starting time shall be paid at time and a half on a minute by minute basis.

- 19.3 Upon agreement between the employee and supervisor, an employee may elect to receive time off in lieu of payment for overtime worked, at the rate of 1 1/2 hours off for every overtime hour worked. An employee may accumulate up to a maximum of five working days, which may be taken off at a time agreed upon by the supervisor. If not taken, they will be paid out after four months.
- **19.4** An employee who is called by the Company for overtime work prearranged or otherwise and accepts the call, will be paid one (1) hour at punitive rates if such call is canceled prior to his/her leaving home.
- 19.5 Overtime work shall be distributed by seniority among the employees who normally perform the work. The Company will provide the records to the Union when so requested. Any employee refusing overtime work shall have the offered time recorded as time offered and shall forfeit his or her turn in the rotation until his or her name comes up again. This paragraph is subject to the provisions of Article 31.
- **19.6** All employees shall be offered the overtime work on an equal basis, based on the available work. Subject to the provisions of Article 31, overtime will be assigned based on the following criteria:
 - (a) An employee is already engaged in the work for which overtime is required
 - (b) An employee has the qualifications required to perform the overtime work

ARTICLE 20 — MEALS, LODGING AND TRAVEL ALLOWANCES

- 20.1 Employees required to remain away from their headquarters or their boarding cars overnight, or employees who have no headquarters and are required to be absent from their place of residence overnight will be afforded one of the following:
 - (a) NQISL provided accommodation, if reasonable, or,
 - (b) Reimbursement of reasonable expenses for meals and lodging which they necessarily incur
 - Items (a) and (b) above are based on single occupancy where available.
 - The Company retains the right to determine which is applicable, and as far as possible, shall indicate it in the monthly bulletin, as provided by Article 15.
- **20.2** Employees who, due to the requirement of the position held, are unable to be at their headquarters for their noonday lunch shall be reimbursed for actual reasonable expenses incurred for the noonday lunch up to a maximum of

\$9.50. This amount is subject to review if conditions warrant on a yearly basis.

Expenses up to a maximum amount of \$ 12.25 will be allowed for any additional meal which employees necessarily incur.

- 20.3 When certain meals are provided by the Company, as set out in paragraph 20.1(b), the daily meal allowance will be reduced by the amount stipulated in paragraph 20.4 below for the meal or meals provided to reflect only those that are to be reimbursed.
- When required and in accordance with paragraph 20.1(b), in cases where meals are not provided by the Company, expenses not to exceed the amounts indicated below shall be considered to be reasonable:

Year	Breakfast	Lunch	Dinner	Total
2001	\$6.80	\$11.33	\$14.61	\$32.74
2002	\$7.00	\$11.67	\$15.04	\$33.71
2003	\$7.21	\$12.02	\$15.49	\$34.72

Subsequently to 2003, all these amounts will be adjusted to those applicable at CN or which ever is the highest.

- 20.5 It is understood that the assistance provided for under this Memorandum of Agreement is limited to those employees required to be absent from their headquarters or boarding cars—or for employees without a headquarters, from their place of residence—to work at a location which is more than 40 miles in one direction (more than 80 miles return) from their place of residence, by the most direct route.
- **20.6** Reimbursement of meal and lodging allowance will be made through the Direct Deposit System (DDS) once per pay period by adding it to the employee's regular wages as a separate item.
- **20.7** Opportunity and free transportation shall be given to employees for getting to their place of residence on weekends in accordance with the terms of the Weekend Travel Assistance letter as per Appendix 6.
- **20.8** When employees move from one point to another by order of the Company, or in the exercise of their seniority rights, their household effects shall be transported free of charge.
- **20.9** Where an automobile mileage allowance is paid, such allowance shall be 28 cents per kilometer or the CN rate, where applicable.
- **20.10** Employees shall be granted free pass transportation in accordance with the Company policy.

ARTICLE 21 — CLASSIFICATIONS AND WAGES

- **21.1** All employees covered by this Agreement shall be paid on an hourly basis. The hourly rate paid is the basic rate corresponding to the classification of the position held as defined below.
- 21.2 General wage increases after December 31, 2003, up until the expiration of this Collective Agreement, will be in accordance with general wage increases negotiated between the IBEW Council No. 11 and CN during National Negotiations. The wage differential between employees covered under the bargaining certificate as provided in Article 2 of this Agreement and IBEW Council No. 11 members at CN shall never be greater than the one accepted at the time of the signing of this Agreement.
- **21.3** Employees temporarily assigned to lower rated positions shall not have their rate reduced. Employees temporarily assigned to higher rated positions shall receive the higher rates while occupying such positions.
- 21.4 When additional positions or classifications are created, compensation shall be fixed in conformity with agreed rates for similar positions or by agreement between the Senior System General Chairman and the General Manager of the NQISL.

21.7 Pay rates

CLASSIFICATION	EFFECTIVE DATE				
	01/05/2000	01/01/2001	01/01/2002	01/01/2003	
	\$	\$	\$	\$	
S&C coordinator (CN-NQISL wage diff.: 0.51)	25.06	25.78	26.51	27.05	
S&C technician (CN-NQISL wage diff.: 0.45)	22.23	22.89	23.56	24.04	
S&C inspector (April 1, 1987) (CN-NQISL wage diff.: 0.49)	24.09	24.78	25.49	26.01	
S&C leading maintainer (CN-NQISL wage diff.: 0.43)	20.78	21.41	22.05	22.50	
S&C leading mechanic (CN-NQISL wage diff.: 0.43)	20.78	21.41	22.05	22.50	
S&C maintainer (CN-NQISL wage diff.: 0.42)	20.49	21.11	21.74	22.18	
S&C mechanic (CN-NQISL wage diff.: 0.42)	20.49	21.11	21.74	22.18	
S&C assistant (CN-NQISL wage diff.: 0.37)	18.09	18.46	18.84	19.22	

Apprentice (CN-NQISL wage diff.: 0.33)	16.29	16.36	16.97	17.32
Casual (CN-NQISL wage diff.: 0.27)	13.24	13.51	13.79	14.07

ARTICLE 22 — BENEFITS

22.1 All employees will receive pension and benefits entitlement which shall be the same as currently provided to all CN employees.

ARTICLE 23 — INCENTIVE PLAN

23.1 Employees will be eligible for the NQISL incentive plan as described in Appendix 2 hereof from the date of the signing of this Agreement.

ARTICLE 24 — EMPLOYMENT SECURITY AND INCOME MAINTENANCE PLAN — ESIMP

24.1 The provisions of the Employment Security and Income Maintenance Plan dated April 21, 1989, as revised, amended or superseded by any agreement to which the parties to this Agreement are signatories will apply to employees covered by this Agreement. Application of the ESIMP will take into account the particularity of this Memorandum of Agreement.

ARTICLE 25 — TRAINING

- 25.1 The Company and the Union agree that employees will be assigned any work with which they are familiar or for which they are qualified or which they can be trained to perform. Training programs shall be offered by the Company and discussed with the Union prior to their implementation.
- 25.2 Although the intent of this Agreement is to encourage the composite employees, the Unions do not surrender any representation rights to their historical exclusivity to bargaining representation. It is understood that employees from one bargaining unit may do work in another bargaining unit for periods of up to 30 consecutive calendar days provided no employees are available from the bargaining unit.
- 25.3 An employee shall be granted leave with pay with full deductions to take courses at the request of the Company. The Company shall bear the full cost of the course, including tuition fees, entrance or registration fees, laboratory fees, and course-required books, necessary traveling and subsistence

expenses as per Article 12 of Collective Agreement 11.1, and other legitimate expenses where applicable.

ARTICLE 26 — INJURED ON DUTY

- 26.1 An employee prevented from completing a shift due to a bona fide injury, sustained while on duty, will be paid for the full shift at straight time rates of pay, unless the employee receives Workers' Compensation benefits for the day of the injury, in which case the employee will be paid the difference between such compensation and payment for their full shift.
- **26.2** Employees occupying light duties positions shall be subject to the conditions of the CN return-to-work policy to the same extent as members of Collective Agreement 11.1.
- **26.3** Physically disabled employees will be dealt with as per the letter at Appendix 4.

ARTICLE 27 — CONTRACTING OUT

27.1 It is the intent of the parties not to contract out Bargaining Unit work on the NQISL. Should contracting out be necessary, it shall not cause layoffs of employees covered by this Agreement or a reduction of regular hours worked by such employees. No work shall be contracted out if there are sufficient qualified laid-off employees in the Bargaining Unit where such work is to be done.

<u>ARTICLE 28 — APPLICATION AND INTERPRETATION OF AGREEMENT</u>

- **28.1** Employees or their representatives will call the attention of the supervisory officers to any violation of the terms of this Agreement and if necessary, the System General Chairman will refer such matters to the proper office of the NQISL.
- 28.2 Any question of interpretation which may arise will be settled by the System General Chairman with the proper officer of the NQISL.
- 28.3 No ruling will be made by an officer of the NQISL changing any generally accepted interpretation of any article of this Agreement without first having discussed the matter with the System General Chairman. A copy of the ruling issued will be furnished to the Senior System General Chairman, which can be grieved starting at the arbitration level.

28.4 No local arrangements which conflict with the generally accepted interpretation for the provisions of this Agreement will be entered into unless first approved by the System General Chairman affected and the proper officer of the NQISL.

ARTICLE 29 — PRINTING OF AGREEMENTS

29.1 The Company undertakes the responsibility for the translation and printing of the Agreement as may be required from time to time and will absorb the cost of delivery of sufficient copies to the employees and the System General Chairman. In case of conflict between the English and French version of the Agreement, the French version will govern.

<u>ARTICLE 30 — NQISL-INITIATED MEETINGS</u>

30.1 When an employee and/or local Union representative or delegate who is not on duty is requested by an NQISL officer to attend a meeting on a matter initiated by the NQISL, such employee, Union representative or delegate will be compensated for both wages and reasonable expenses, prorated to the time spent on the meeting.

ARTICLE 31 — STANDBY ALLOWANCE

- 31.1 In view of the intermittent character of the work of certain S&C Coordinators, S&C Technicians, S&C Leading Maintainers, S&C Leading Mechanics, S&C Maintainers, S&C Assistants, S&C Apprentices and S&C Helpers, they will be paid in addition to their regular earnings for time actually worked, a standby allowance equivalent to 6.75 hours (7.5 hours, effective January 1, 2002) per week at the straight time rate of their position. The provisions of paragraphs 31.2 to 31.15, inclusive, will apply to employees referred to in this Article.
- **31.2** Employees will be paid in accordance with Article 19 for work performed outside of regular hours on regular work days, on call days and on rest days.
- **31.3** Employees shall be assigned one regular rest day per week, Sunday if possible, and service on such assigned rest day shall be governed by Article 19.
- **31.4** Employees shall be assigned one call day per week, either Saturday or Sunday, and one rest day per week, either Saturday or Sunday, except that, at those locations where more than one shift is required, such employees shall be assigned one call day per week and one rest day per week, which shall be consecutive.
- **31.5** On call days and outside of regular hours, employees will protect calls on their own territory. They will be available for calls unless they make suitable

arrangements with the Signals & Communication Supervisor for the protection of their territory without involving additional expense to the Company and so advise the proper officer. It is up to the S&C supervisor to indicate in writing to the employee who the proper officer is at the time.

Note: Notwithstanding the provisions of this paragraph 31.5, in recognizing that the requirements of the service must be met under circumstances caused by the temporary absence of regular employees, the Company may require employees to protect calls on adjacent territories. Such absences shall be fairly short, lasting from a few days to a few weeks in the case of temporary absences of regular employees who are on bereavement, illness or training leave. The employee and proper officer shall agree on adequate compensation.

- **31.6** On rest days, employees will not be subject to call. However, they will be called, and if available may accept such call.
- **31.7** On territories where conditions warrant, other mutually satisfactory arrangements may be agreed upon in writing between the S&C Supervisor and the accredited representative of the employees for protection of the employees' territory.
- **31.8** Unless other mutually satisfactory arrangements exist between the employees and their supervisor, calls will be directed first to the employee assigned to the territory involved.

Holiday Pay for Qualified Employees on Stand-By

No Work Performed on General Holiday

31.9 When a general holiday falls on a regular work day or on a call day (sixth day) and the employee is subject to call, such employee will be allowed 8 straight time hours, in addition to the general holiday pay provided in Article 10.

31.10

- (a) When a general holiday falls on a regular work day or on a call day (sixth day) and the employee is subject to call, such employee will be allowed 8 straight time hours, in addition to the general holiday pay provided in Article 9.
- **Note:** Employees who have not made arrangements to have their territory protected on their call day in accordance with paragraph 31.5 will be paid as per paragraph 31.10(a). In the application of paragraph 31.10(a), employees may be required to protect calls on their territory and one adjacent territory each alternate general holiday. However, recognizing that the requirements of the service must be met under the circumstances caused by the temporary absence of regular employees, the Company

- may, in such circumstances, require employees to protect calls on adjacent territories each alternate general holiday.
- (b) Employees who conclude arrangements to have their territory protected on their assigned call day each alternate weekend, in accordance with paragraph 31.5, shall be required to enter into a similar arrangement to protect calls on their territory each alternate general holiday. Such employees will only be entitled to receive the 8 straight time hour standby payment when it is their turn to protect calls on a general holiday.

The broken time outlined in paragraph 31.15 is not affected by the application of this paragraph.

Work Performed on General Holiday

- **31.11** When a general holiday falls on a regular work day and the employees work their regular hours on that day, such employees will be paid in accordance with paragraph 10.4. In addition, such employees will be allowed 8 straight time hours for being available on that day as provided in paragraph 31.10(a).
- **31.12** When a general holiday falls on a regular work day or on a call day (sixth day), and the employees are on standby, if they are called to work on that day, such employees will be paid for actual time worked in accordance with paragraph 10.4 in addition to the 8 straight time hours for being available on that day as provided in paragraph 31.10(a).
- **31.13** The general holiday compensation provided in this Article supersedes the provisions of Article 10 where in conflict therewith.
- **31.14** Employees who do not qualify for general holiday pay will be subject to the provisions of paragraphs 31.9 to 31.13 inclusive, except that they will not receive payment for the general holiday.

Broken Time for Employees on Stand-By Conditions

31.15 Broken time for employees compensated on the basis of this Article 31 shall be based on 46.75 straight time hours per week (47.5 straight time hours per week effective January 1, 2002). In the event employees are off duty without pay, they shall have deducted from their wages 8.5 straight time hours for each regular work day off-duty and 4.25 straight time hours for each call day off-duty (5 straight time hours per week effective January 1, 2002).

<u>ARTICLE 32 — MEMORANDUM OF AGREEMENT</u>

32.1 This Memorandum of Agreement is in full and final settlement of all NQISL issues discussed by the parties.

32.2	It is understood that this Memorandum of Agreement is subject to ratificatio and will take effect on May 1, 2000. Employees who perform service subsequent to May 1, 2000, shall be entitled to any amount of compensatio that may be due them as a result of the signing of this Agreement.					
Signe	d in	_ this	day of	, 2001.		
For C Railwa	anadian National ay		For the IBEW Council No. 11			
	r Vice-President rn Canada Division		Senior System General Chairman IBEW Council No. 11			
Vice-F	President, Labor Relation	ons	-			

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

Vice-President, Labor Relations

The parties shall meet within the year following ratification of all NQISL agreements in order to review and, if necessary, redefine the role and the composition of the existing Advisory Council at the Northern Quebec Internal Short Line (NQISL).

If you concur with this understanding of what was discussed, would you please so

This letter will not be the subject of grievances or arbitration.

indicate by signing below.		
Signed in Montreal this	day of _	, 2001.
For Canadian National Railway		For the IBEW Council No. 11
Senior Vice-President Eastern Canada Division		Senior System General Chairman IBEW Council No. 11
		_

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

The parties agree that the current incentive plan in place, as outlined in the NQISL Agreement dated February 17, 1995, between the International Brotherhood of Electrical Workers, Council No. 11, and CN has been amended.

After the ratification of this Agreement, the parties agree that the incentive plan will be replaced by a Gainsharing Plan with a maximum pay-out of 4% of the basic wages. Similarly to the CN Gainsharing Plan, the NQISL Gainsharing Plan will have measures based on safety, service and cost efficiency. Details with respect to measurement criteria and associated measures will be determined within 60 days of the ratification.

If you concur with this understanding of what was discussed, would you please so

indicate by signing below.

Signed in Montreal this ______ day of _______, 2001.

For Canadian National Railway

Senior Vice-President Senior System General Chairman IBEW Council No. 11

Vice-President, Labor Relations

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

Vice-President, Labor Relations

This letter is in reference to our Agreement respecting operation of the Northern Quebec Internal Short Line (NQISL).

The parties acknowledge and agree that the attached Memorandum of Agreement between Canadian National Railway Company and the International Brotherhood of Electrical Workers, Council No. 11, is intended to cover and govern rates of pay, all benefits and working conditions of CN employees on the Northern Quebec Internal Short Line (NQISL), as defined in said Memorandum of Agreement only, and it shall not constitute a precedent applicable anywhere else on the CN Railway System nor shall either party hereto invoke any or all provisions of said Supplementary Agreement as constituting any sort of precedent or admission.

If you concur with this understanding of what was discussed, would you please so

indicate by signing below.

Signed in Montreal this ______ day of _______, 2001.

For Canadian National Railway

For the IBEW Council No. 11

Senior Vice-President Senior System General Chairman IBEW Council No. 11

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

This letter is in reference to our Agreement respecting operation of the Northern Quebec Internal Short Line (NQISL) and the desirability of making special arrangements for an employee who becomes physically disabled during the course of his employment and is unable to perform the regular duties of his assigned position and is unable to exercise his seniority on a position which he is capable of performing.

This letter will confirm our understanding that, in such circumstances, the proper officer of the company and the System General Chairman of the Brotherhood will meet to see if arrangements can be made to provide employment to the employee concerned within the Bargaining Unit. The parties may, by mutual agreement, place a disabled employee in a position that his qualifications and ability allow him to perform, notwithstanding that it may be necessary to displace an able-bodied employee in the Bargaining Unit so as to provide suitable employment. The permanently assigned employee so displaced will be allowed to exercise seniority onto a position within the Bargaining Unit that he is qualified for and has ability to perform.

A disabled employee placed in a new position shall not be displaced by an able-bodied employee so long as he remains in that position except when a senior employee is otherwise unable to hold a position within his seniority group.

Should the disabled employee subsequently recuperate, he shall be subject to displacement, in which case such employee will exercise seniority rights. When a senior able-bodied employee believes that the provisions of this letter will result in undue hardship, the System General Chairman may discuss the circumstances with the NQISL representative.

The above understanding is to provide guidelines for assisting disabled employees to continue to be employed.

If you concur with this understar indicate by signing below.	nding of	what was discussed, would you please so
Signed in Montreal this	day of _	, 2001.
For Canadian National Railway		For the IBEW Council No. 11
Senior Vice-President Eastern Canada Division		Senior System General Chairman IBEW Council No. 11
Vice-President Labor Relations		-

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

This letter is in reference to our Agreement respecting operation of the Northern Quebec Internal Short Line (NQISL) with regard to the final and binding dispute-settlement procedure provided for under paragraph 7.3 of Article 7.

Binding Settlement of Disputes

- A grievance concerning the interpretation or alleged violation of this Agreement, or an appeal by an employee who believes he has been unjustly disciplined or dismissed and whose case has not been settled at the last step of the procedure may be referred by either of the parties to a single arbitrator for final and binding settlement without stoppage of work.
- 2. The System General Chairman or the General Manager, depending on which party has request arbitration, shall notify the opposing party in writing of the ruling made at the last step of the procedure within 60 calendar days of the issuance of the ruling.
- 3. Within 45 calendar days of receipt of a request for arbitration, the parties shall attempt to agree on the appointment of an arbitrator, it being agreed that preference shall be given to the person then chairing the Canadian Railway Office of Arbitration. If the parties do not reach agreement, the party that asked for arbitration may then ask the Minister of Labour to appoint an arbitrator and shall advise the opposing party thereof. Such a request shall be submitted to the Minister within 14 calendar days following the 45 days mentioned at the beginning of this paragraph.
- 4. A joint Statement of Issue containing the facts of the dispute and reference to the specific provision or provisions of the Agreement allegedly violated, shall be jointly submitted to the arbitrator in advance of the date of the hearing. In the event the parties cannot agree upon such Joint Statement of Issue, each party shall submit a separate Statement of Issue to the arbitrator in advance of the date of the hearing and shall at the same time give a copy of such statement to the other party.

- 5. The arbitrator shall hold the hearing in Montreal, in the Company's offices, except as otherwise mutually agreed, unless the arbitrator deems it desirable to hold it elsewhere owing to special circumstances.
- 6. At the arbitration hearing, arguments shall be presented orally and/or in writing, and each party may call any witnesses it deems necessary.
- 7. All parties concerned shall receive the arbitrator's decision within 30 calendar days of the end of the hearings; the arbitrator's ruling shall be final and binding.
- 8. Disputes arising out of proposed changes in rates of pay, rules or working conditions, modifications in or additions to the scope of this Agreement, are specifically excluded from the jurisdiction of the Arbitrator and he shall have no power to add to or to subtract from, or modify any of the terms of this Agreement.
- 9. Each of the parties shall defray its own costs incurred in submitting the case to arbitration, but the two parties shall share equally the arbitrator's fees and the costs of arbitration.
- 10. The time periods stipulated herein may be extended by mutual agreement of the parties.

If you concur with this understanding of what was discussed, would you please so indicate by signing below.

Signed in Montreal this d	ay of, 2001	1.
For Canadian National Railway	For the IBEW Council No. 11	
Senior Vice-President Eastern Canada Division	Senior System General Chairr IBEW Council No. 11	———— man
Vice-President, Labor Relations		

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

Sir:

This letter is in reference to the travel assistance which is to be provided to employees represented by your Union so they can get to their home location on weekends or rest days. The parties have recognized that such arrangements must be fair and practical, must not be permitted to interfere with the performance of the work and must not place an unreasonable economic burden upon the Northern Quebec Internal Short Line.

They have also recognized the need for suitable restrictions on the frequency of trips and the establishment of minimum and maximum distances.

The parties have concluded that a variety of means must be employed to assist the employees with weekend travel and that the determination of the means to be applied in any given situation must rest with the appropriate NQISL officers.

Qualification

In order to qualify for weekend travel assistance an employee must be required to work away from his home location on a regular basis (a minimum of 5 consecutive days prior to the weekend). If such work is on a permanent position, which has an established headquarters location, there must be an acceptable reason for the employee not relocating his home to the headquarters location, such as remoteness of the location or limited housing at the location.

Travel Assistance

As mentioned above, the means to be used to assist employees with weekend travel will vary and the determination of which will apply in each case will rest with the appropriate Company officers. The means that may be employed are:

- (a) Train Service; or
- (b) Company vehicles; or

- (c) An expense allowance to be determined as follows: An amount equal to the average per-mile rate for the Eastern and Western regions times 175 miles, rounded to the nearest 5 cents; or
- (d) A mileage allowance as determined in Appendix R of Collective Agreement 11.1; or
- **(e)** Any other means which meets the criteria mentioned in the first paragraph of this letter; or
- **(f)** Any combination of (a), (b), (d), and (e) above.

The adequacy of train service where it is considered as a means for weekend travel is of course a very relative matter. Waiting time, traveling time, and the alternatives available must all be considered. This basic criteria are that the means used must be fair and practical, must not interfere with the performance of the work and must not place an unreasonable economic burden upon the Company. Where there is a difference of opinion between an employee and his supervisor in this regard, the local Union representative or the General Chairman or the Senior System General Chairman and the supervisor should confer in an effort to resolve the difference.

Where a work location is accessible by road the NQISL shall be under no obligation to provide assistance when the distance to be traveled is 40 miles or less in one direction (80 miles or less return).

The NQISL's obligation under this arrangement shall exceed beyond the limits of the Region on which the employee is working.

For employees who are granted a mileage expense allowance, payment shall be limited to 2,700 miles in any one calendar month. However, under special circumstances, after discussions between the General Chairman or the Senior System General Chairman and the General Manager, the latter has the flexibility to increase this maximum.

Administration

Claims for payment under the terms of this arrangement must be made monthly in accordance with Company instructions.

The provisions contained in this letter are effective immediately and all previous Weekend Travel Assistance letters, practices or understanding are herebycanceled.

The mileage allowance calculation referred to in (d) above will be put into effect on 1 October in each year.

If you concur with this understanding of what was discussed, would you please so indicate by signing below.

Signed in Montreal this day of	of, 2001.
For Canadian National Railway	For the IBEW Council No. 11
Senior Vice-President Eastern Canada Division	Senior System General Chairman IBEW Council No. 11
Vice-President, Labor Relations	

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

Sir:

In recognition of incidental expenses incurred by employees on standby assignment, it is agreed that the Company shall reimburse them to the amount of \$250 per year. This allowance shall be limited to employees paid on standby the first Monday of pay period no. 1 and shall be subject to administrative payroll requirements.

If you concur with this understanding of what was discussed, would you please so indicate by signing below.

Signed in Montreal this	_day of _	, 2001.
For Canadian National Railway		For the IBEW Council No. 11
Senior Vice-President Eastern Canada Division		Senior System General Chairman IBEW Council No. 11
Vice-President, Labor Relations	s	_

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

Sir:

This letter is to confirm our discussions concerning the agreement respecting operation of the Northern Quebec Short Line (NQISL) and your Union's concerns about the Company's Policy to Prevent Workplace Alcohol and Drug Problems

One of the IBEW's concerns revolved around the definition given to the term "subject to duty or considered on duty" contained in Appendix EE of existing Collective Agreement 11.1. Currently, the definition is:

iv) Employees On-Call

It is the employee's responsibility to remain fit for duty when on call. For the purposes of this policy, unionized employees receiving compensation for being on call are considered on duty.

As mentioned during our meeting, and because of the unique standby requirement contained in this Agreement, the Company agrees that employees on call shall not be considered to be on duty or subject to duty as per the Union-Management Control of Drug and/or Alcohol Abuse Agreement (Rule G By-pass Agreement) and CROA Case No. 557, until such time as they accept a call.

If problems arise as a result of these modifications, the Company and the Union shall meet promptly to address the situation.

You also raised some questions as to which of the Union-Management Control of Drug and/or Alcohol Abuse Agreement or the Policy to Prevent Workplace Alcohol and Drug Problems or for that matter the Collective Agreement took precedent over which.

In order to alleviate any of your concerns on that question, let me reiterate what was already mentioned verbally. This Memorandum of Agreement, Collective Agreement 11.1, and as a matter of fact, all collective agreements including the Union-Management Control of Drug and/or Alcohol Abuse Agreement take precedence over the Policy.

Lastly, you questioned the right of supervisors to question employees on the fact that they were on medication and if so what medication they were taking. On this point, let me refer you to page 21 of the Policy, paragraphs 2 and 3. These paragraphs clearly indicate that the onus of managing potential impairment during working hours due to legitimate use of medication lies entirely with the employees.

Insofar as the supervisor's right to question employees on the fact that they might be on medication is concerned, it is the Company's position that, for justifiable causes, a supervisor has the right to know if an employee is on medication. However, his/her right is limited to just this. supervisors have no right to know which over-the-counter or prescription medications employees are using. Ms. Watt supplied you with some training material, which states just that and further explains the purpose of Appendix C, page 61, of the Policy Handbook.

In the event that an employee's doctor determines there is no suitable alternative medication that would not have a negative impact on performance, concerns must be brought to the attention of Medcan. In this situation, employees are required to adhere to any Medcan recommendations concerning modified work, if available.

Because S&C maintainers often work in small communities, the amount of modified work available may be quite limited. The Company therefore agrees that in the event the Company supervisor has no alternative work suitable for such an employee represented by your organization, the System General Chairman and the Vice-President, Labor Relations and Employment Legislation (or his delegate), will meet to try to resolve the situation.

If you agree that the above satisfies your concerns about the implementation of the Policy to Prevent Workplace Alcohol and Drug Problems and that you will withdraw from the arbitration case presently being heard by Arbitrator Picher on this matter, would you please so indicate by signing and returning a copy of this letter to the undersigned.

Yours	cir	$\Delta \Delta \Delta$	rصار	•
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Read and approved:

Assistant Vice-President— Labor Relations and Employment Legislation Senior System General Chairman International Brotherhood of Electrical Workers—Council No. 11

APPENDIX 9

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

During our discussions concerning the agreement respecting operation of the Northern Quebec Short Line (NQISL), the Union raised the issue of setting up a compensation system to encourage employees to improve their skills and make NQISL operation more efficient.

To this end, the Company told the Brotherhood that after the last round of national negotiations, the parties had agreed to meet within 180 days of the ratification of the Memorandum of Agreement of January 30, 2001, to start up a job skill inventory assessment project for certain classifications in Signals & Communication, pursuant to Appendix L of that Agreement.

Under the circumstances, the Company suggests that the two parties meet within 60 days of the filing of the conclusions of the assessment project to discuss its applicability to NQISL employees.

If you concur with this understanding of what was discussed, would you please so indicate by signing below.

Signed in Montreal this _____ day of ______, 2001.

For Canadian National Railway

For the IBEW Council No. 11

Senior Vice-President Eastern Canada Division

Senior System General Chairman IBEW Council No. 11

Vice-President, Labor Relations

February 1, 2002

Luc Couture
Senior System General Chairman
and Secretary-Treasurer
IBEW Council No. 11
73 F.X. Garneau
Beloeil, Quebec
J3G 3G3

This letter is in reference to our Agreement respecting operation of the Northern Quebec Internal Short Line (NQISL).

As a result of our discussions, it was agreed to add the Joliette Subdivision between mile 40.10 and mile 71.38 to the existing NQISL subdivisions. It was further agreed to extend the section of the La Tuque Subdivision between mile 43.70 and mile 125.4. Consequently, Garneau headquarters is henceforth deemed to belong to the NQISL. The duties associated with the position of S&C technician that normally would have been performed at Garneau by the one from Quebec City will therefore henceforth be the responsibility of the S&C technician assigned to the NQISL territory.

In light of the foregoing, the Brotherhood has indicated that it is worried about the possibility that the Quebec City S&C technician position might be abolished. In this regard, the Company would like to assure the Brotherhood that it has no intention of abolishing the position of Quebec City S&C technician directly as a result of changes to the NQISL territory.

Yours truly,

K.L. Heller Senior Vice-President Eastern Canada Division