

# **COMPANY OFFER OF MARCH 23, 2007**

## **1. TERM OF CONTRACT**

The Collective Agreement between the Company and the Union will be extended for a period of three (3) years commencing January 1<sup>st</sup>, 2007 through to December 31<sup>st</sup>, 2009.

Amend Article 22.4 to read:

22.4 This agreement, effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2009, and thereafter, subject to six months' notice in writing from either party to this Agreement of its' desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2009.

**Note: The option for 2010 is attached on Page 38.**

## **2. WAGES**

- a) Effective January 1<sup>st</sup>, 2007, increase by 3% the rates in effect on December 31<sup>st</sup>, 2006.
- b) Effective January 1<sup>st</sup>, 2008, increase by 4% the rates in effect on December 31<sup>st</sup>, 2007. (4% is made available subject to the introduction of a co-pay provision - Refer to Section 4 of this document)
- c) Effective January 1<sup>st</sup>, 2009, increase by 3% the rates in effect on December 31<sup>st</sup>, 2008.
- d) Effective the first of the month following ratification, Rail Threader Machine will be classified as a Group 1 machine.
- e) Effective the first of the month following ratification, Truck Driver/ Clerk will be paid an equivalent rate to that of a Timekeeper.

## **3. PENSIONS**

- a) Effective the first of the month following ratification, the pension formula shall be increased for employees who are represented by the TCRC – MWED to 1.8% of the Member's Highest Plan Earnings up to the Average YMPE with no increase to employee contributions.
- b) This pension provision will not form part of the Collective Agreement between the Parties and is subject to the approval of the Pension Committee and the Board of Directors.

## **4. BENEFITS**

### **Life Insurance & Disability Benefits**

The provisions of the Employee Benefit Plan Supplemental Agreement dated April 21, 1989 for the Associated Non-Operating Railway Unions is amended to conform to the following in respect of employees covered by this Memorandum of Settlement:

### **Life Insurance**

- a) Effective the first of the month following ratification, the group life insurance coverage will be increased from \$36,000 to \$37,000.
- b) Effective January 1, 2008, the group life insurance coverage will be increased from \$37,000 to \$38,000.
- c) Effective January 1, 2009, the group life insurance coverage will be increased from \$38,000 to \$39,000

### **Disability Benefits**

- a) Effective the first of the month following ratification, the maximum benefit will be increased to \$590.00.
- b) Effective January 1, 2008, the maximum benefit will be increased to \$600.00.
- c) Effective January 1, 2009, the maximum benefit will be increased to \$610.00.

### **Dental Plan**

The Dental Plan Agreement for the Associated Non-Operating Railway Unions (as amended from time to time) will be further amended as follows in respect of employees covered by this Memorandum of Settlement:

- a) Modify the provision concerning covered expenses as follows:
  - i) Effective with treatment which commenced on or after January 1, 2007 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2006 or in the absence of same, the amount deemed reasonable by the Plan's insurer.
  - ii) Effective with treatment which commenced on or after January 1, 2008 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2007 or in the absence of same, the amount deemed reasonable by the Plan's insurer.
  - iii) Effective with treatment which commenced on or after January 1, 2009 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2008 or in the absence of same, the amount deemed reasonable by the Plan's insurer.
- b) Effective January 1, 2008, the number of units for scaling will be limited to 8 units per year.
- c) Effective January 1, 2008, eliminate employee paid deductible and establish a co-pay provision where the employee will pay 10% of the premium.
- d) Effective January 1, 2007 increase the annual maximum from \$1,300 to \$1,425.
- e) Effective the first of the month following ratification, or as soon thereafter as it may be arranged, the various contracts and policies, attached as Appendices to the Dental Plan Agreement, will be amended in conformity with the aforementioned changes.

### **Extended Health & Vision Care Plan**

The Extended Health Care Plan Agreement for the Associated Non-Operating Railway Unions (as amended from time to time) will be further amended in respect of employees covered by this Memorandum of Settlement as follows:

- a) Effective the first of the month following ratification, increase the Extended Health and Vision Care benefits base reimbursement entitlement on Vision care to \$225 in any 12 month period for persons under the age of 18 and in any 24 month period for persons age 18 and over.
- b) Effective January 1, 2007 add Chiropractor to the list of professional services offered in item 6.6(g) of the Group Benefit Program. For clarity, the maximum amount payable in any year for services provided by all professionals combined in this article continues to be \$500 for each Eligible Employee or Dependant.
- c) Effective January 1, 2008, eliminate employee paid deductible and establish a co-pay provision, where the employee will pay 10% of the premium.
- d) Effective the first of the month following ratification, or as soon thereafter as it may be arranged, the various contracts and policies, attached as Appendices to the Extended Health & Vision Care Plan, will be amended in conformity with the aforementioned changes.
- e) Effective the first of the month following ratification, amend the Extended Health and Vision Care Plan benefits to provide employees with a dismemberment provision.

Refer to Appendix A of this Memorandum of Settlement

- f) Effective January 1, 2008, increase the life time maximum for the Health & Vision Care Plan from \$46,000 to \$48,000

## **5. JOB SECURITY AGREEMENT**

Effective January 1, 2008 the following adjustments will be made:

- a) Article 6.4 – increase the allowance to \$975.00
- b) Article 6.5 – increase the allowances to \$250.00 and \$130.00
- c) Article 6.8 (a) – increase the reimbursement to \$16,000.00
- d) Article 6.8 (c) (ii) – increase the amount to \$16,000.00
- e) Article 6.9 – increase the amount to \$8,000.00
- f) Article 6.10 (a), (b) – increase the allowance to \$260.00

**WORK RULES**

**6. SHIFT DIFFERENTIAL – Section 2 of the Collective Agreement**

Amend shift differential rates in item 2.21 to read as follows:

2.21 Effective on the first of the month following ratification increase shift differential to \$0.75 per hour for shifts commencing between 1400 and 2159 hours and to \$1.00 per hour for shifts commencing between 2200 and 0559 hours.

**7. BEREAVEMENT – Section 5 of the Collective Agreement**

- a) Amend item 5.1 to include step-child, step-parent, brother, sister.
- b) Amend item 5.2 to remove step-parent, brother, sister and include spouse's parents.

**8. ANNUAL VACATION - Section 6 of the Collective Agreement**

Add a new item 6.24 to address reassigning Temporary Supervisor's approved scheduled vacation as soon as they are promoted to an official position outside of the bargaining unit as follows:

6.24 An employee accepting an official position will have their bargaining unit approved scheduled vacation reassigned to the bargaining unit for the period the employee is occupying their official position. If requested, the Company will allow the most senior employee to reapply for the vacation slot created by the Temporary Supervisor. If requested, the company will also allow the next senior employee to reapply for the vacation slot created by the most senior employee.

**9. WORK WEEK – Section 8 of the Collective Agreement**

- a) Delete the current item 8.1 and replace as follows:

- 8.1 The work week for all employees covered by this agreement, unless otherwise excepted herein, shall be either:
- a) forty hours consisting of 4 days of 10 hours each, with three consecutive rest days in each seven. The preferred rest days will be Friday, Saturday and Sunday or Saturday, Sunday and Monday ; or
  - b) forty hours consisting of 5 days of eight hours each, with two consecutive rest days in each seven. The preferred rest days will those identified in item 8.17, which are Saturday and Sunday and then Sunday and Monday; or
  - c) Notwithstanding the above, when the work cycles of a crew change, the employee will not suffer lost wages through the course of fulfilling the requirements of 80 regular hours for the pay period.

This clause shall not be construed to create a guarantee of any number of hours or days of work not provided for elsewhere in this agreement.

- b) Delete the current item 8.2 and replace as follows:

8.2 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.

**c) Amend item 8.4**

**8.4 Hours of Service and Meal Period**

Eight consecutive hours, exclusive of meal period (which shall be one hour unless otherwise mutually arranged) shall, except as otherwise provided, constitute a day's work. If an employee normally takes a 1 hour meal break and is required to work any portion of that time they will be paid time and one half for actual time worked. When eight hours of continuous service are required in regular operations, twenty minutes will be allowed in the fifth or sixth hour of service for a meal without loss of pay, during which no service will be performed, when the nature of the service permits.

If an employee is provided with a meal break prior to the fifth hour, no further meal break need be provided until six hours has lapsed from the completion of the first meal period.

No employee shall be required to work more than six hours without food.

**d) Amend item 8.6 to address change in start times**

8.6 Notwithstanding the provisions of Clause 8.5, starting times may be established or changed to meet the requirements of the service. Where practicable, the notice of establishment or change in starting times will be posted promptly in a place accessible to affected employees. The Local Chairperson, or designate, and the TCRC MWED Director, or designate, shall be advised as soon as practicable following any change in starting times and in any event, within 72 hours of the time the change in starting time became effective.

(1) Affected employees with an assigned Headquarter location will be given forty-eight hours advance notice.

(2) Affected employees that do not have an assigned Headquarter location shall be given as much advance notice as possible, but not later than at the completion of the previous tour of duty.

(3) In the application of this item 8.6, it is understood that the starting time for crews working 5/2 and 4/3 schedules will not be changed by more than 2 hours once in each work cycle and for a crews working an 8/6 work cycle the start time will not be changed more than 2 hours twice in each work cycle.

Note: Former Appendix B-2 is deleted

**e) Delete the current item 8.8 and replace as follows:**

8.8 Upon the request of the Foreman made with the consent of the employees in the gang and approval of the proper officer of the Railway, special arrangements may be made to vary starting times on the first and/or last day of the work schedule to permit employees to travel to and from home.

**f) Add a new item 8.36 to Section 8 of the Collective Agreement to provide for the creation of a new classification of service – Special Work Crew as follows:**

**SECTION 8.36**  
**SPECIAL WORK CREW CLASSIFICATION**

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8.36.1 Scope

At the discretion of the Company, work schedules with rest days that are not identified as the preferred rest days in Section 8.1 (a) and 8.17 of the collective agreement may be implemented for:

- a) TP&E Seasonal Work Crews working 5&2 or 4&3 work schedules, and/or,
- b) Bridge and Structure Crews working on Capital or Special Maintenance Authority projects while working in alignment with a track block being utilized by a TP&E Seasonal Work Crew working as a Special Work Crew on the same subdivision.

It is understood and agreed that in every instance when a work schedule with rest days that are not identified as the preferred rest days in section 8.1 (a) and 8.17 of the collective agreement is implemented for a crew identified in a) and b) above, the provisions of this section 8.36 shall apply.

8.36.2 Work Rules

- 8.36.2 a) Coincident with the implementation of a work schedule that does not give preference to the rest days identified in the collective agreement, such work crew will be considered as a "Special Work Crew".
- b) A Special Work Crew shall represent a new classification of service.
  - c) Rest days for Special Work Crews shall be consecutive, but shall not give preference to those identified in Section 8.1 (a) or 8.17 of the collective agreement.
  - d) Implementation of Special Work Crew schedules shall be as follows:
    - 1) For TP&E Seasonal Work Crews:
      - i) As advertised in the initial start-up bulletin, or,
      - ii) As advertised by bulletin for crews that commence subsequent to the initial bulletin.
    - 2) For Bridge & Structures Crews:
      - i) As advertised by bulletin, or,
      - ii) Upon written notification by the Company to the Director of the Union and notification to the affected employees, which shall be posted in the workplace. In such circumstances, notification will be as soon as possible, but no later than 15 calendar days prior to the implementation date.

This short notification period applies solely for the purpose of aligning the work schedule of a Bridge and Structures Crew, working on the same subdivision as a TP&E Seasonal Work Crew that has been designated as a Special Work Crew. The geographic restriction may be extended by mutual agreement between the Union and the Company. Once the Bridge and Structures Crew is aligned with the TP&E

Seasonal Work Crew, as a Special Work Crew, subsequent changes to the TP&E Seasonal Work Crew will also apply to the Bridge and Structures Crew.

- e) Once the work schedule of a TP&E Special Work Crew has been established, the following shall apply:
  - i) In the event that;
    - 1) the established commencement or completion date of an advertised Special Work Crew schedule is changed by two or less work cycles the Company shall post written notice in the workplace for affected employees at least 15 calendar days prior to the date the change.
    - 2) the established commencement or completion date of an advertised Special Work Crew schedule is changed by more than two work cycles, or in the event that the bulletined Special Work Crew work schedule is cancelled, the Company shall provide written notification to the Director of the Union and post written notice in the workplace for affected employees at least 15 calendar days prior to the date the change.
  - ii) In the event that:
    - 1) the original schedule is moved forward in time, the time period between the last day of the original schedule and the first day of the new schedule shall not exceed two months;
    - 2) the original schedule is moved backward in time, the time period between the first day of the new schedule and the last day of the original schedule shall not exceed two months;
    - 3) the Company may implement a schedule move that exceeds the two month periods provided for in subsections (1) and (2), a maximum of once per Special Work Crew, once per work season.
    - 4) Whenever a schedule move is implemented pursuant to this subsection ii), the Company shall provide written notification to the Director of the Union and post written notice in the workplace for affected employees at least 15 calendar days prior to the date the change
  - iii) In the application of subsection e (i) (2) and (ii) above, the affected employees will inform the Company, within 5 calendar days of the Company notice, whether they intend to remain or depart the crew. Failure to inform the Company will result in the employee remaining with the crew, unless awarded another position by bid under the provisions of the collective agreement.
  - iv) Employees subject to the change notice issued pursuant to subsections e i) 2) and ii) that elect to depart the Special Work Crew will be permitted to exercise their seniority under the provisions of the collective agreement.
  - v) When a Special Work Crew schedule is changed, moved or cancelled and employees elect to depart the work crew, the provisions of Section 8.36 no longer apply and employees will not be entitled to any premium payments for the previously scheduled Special Work Crew period.

- vi) When a Special Work Crew schedule is changed, moved or cancelled and employees elect to remain on the work crew, the provisions of Section 8.36 will only apply to actual time worked in Special Work Crew service.
- f) The Company may change the start time for employees working on a Special Work Crew in accordance with item 8.6 of the collective agreement, except that:
  - i) the start time may be changed by a maximum of 3 hours or less, and,
  - ii) by more than 3 hours one time in each 5&2 or 4&3 work cycle.

### 8.36.3 Compensation

- 8.36.3 a) An employee transitioning to and from a Special Work Crew schedule will be paid no less than eighty (80) regular hours in a pay period, unless absent from work due to illness, injury, leave of absence or other attendance related reasons.

If an employee earns less than 80 hours in a pay period, solely account the change in work schedules, the Company will top-up to 80 hours. The top-up hours will be paid at the Special Work Crew rate of pay.

- b) Rates of pay for Special Work Crews will be the established rates with a 15.5% increase applied and will only apply when working in Special Work Crew service.

- 8.36.4 All other provisions of the collective agreement apply to employees working on Special Work Crews, except as otherwise provided in this Section 8.36.

- 8.36.5 It is understood between the parties that any unforeseen concerns arising from the application of this agreement will be discussed promptly and a good faith attempt will be made to resolve the issue to both parties satisfaction.

## **10. SENIORITY - Section 9 of the Collective Agreement**

- a) Amend Appendix D, "Seniority Territories", item 1 of the Collective Agreement and relevant Supplements to consolidate the seniority territories on the Atlantic Region into a Quebec Division seniority list..

Refer to Appendix B of this document, new Appendix B – 47 of the Collective Agreement.

## **11. VACANCIES AND NEW POSITIONS – Section 10 of the Collective Agreement**

- a) Establish the ability to set-up Regional Seasonal Work Crews by:
  - 1) Incorporating the Pacific Steel Agreement and the associated long standing practices associated with this agreement on the Pacific Region, and,
  - 2) Providing for the ability to establish two (2) Seasonal Region Work Crews on the Prairie, Eastern and Atlantic Regions.
- b) Accordingly, create a new item 10.25, 10.26 and 10.27 as follows:

10.25 The Pacific Region

The Company may advertise for Regional Seasonal Rail, Thermite, Pick-up and Distribution Work Crews by following the bulleting process outlined in the collective agreement.

It is further understood that there will continue to be times when Alberta Tie, Ballasting or , Surfacing crews will be required to work in British Columbia and conversely there will be circumstances which will dictate British Columbia crews working in Alberta. As in the past, every effort will be made to plan the work so that Alberta crews work in Alberta and B.C. crews work in B.C. It is understood that this will not be considered an infringement of one seniority District or the other. .

#### Prairie, Eastern & Atlantic Regions

The Company may advertise up to two Regional Seasonal Work Crews on each of the Prairie, Eastern and Atlantic Regions by following the bulleting process outlined in the collective agreement.

- 10.26 In the application of item 10.25 above, temporary Regional seniority lists will be established each work season, for each classification, through a dovetailed amalgamation of existing District seniority lists based on the date of entry into that classification, for the purpose of filling vacancies in temporary positions on Regional Seasonal Work Crews. Positions will be awarded based on the newly established temporary Regional seniority lists.
- 10.27 An employee working on a Regional Crew and/or a District Crews referenced in item 10.25 while working outside their seniority district, will be entitled to two hours pay, at the straight time rate of pay, for each leg of the travel.

- c) Where applicable, amend all Sections in Wage Agreement #41 and #42 that refer to "District" to read "Region or District".

## **12. MEALS, LODGING AND EXPENSE CLAIMS - Section 12 of the Collective Agreement**

- a) Delete Section 12 and replace with the following:

- 12.1 Employees called to work outside of their regular working limits, beyond their regular working hours, shall be given an opportunity to procure meals when necessary and practicable.

Note: See letter dated January 20, 1982, Appendix B-6.

- 12.2 Expenses – Special Work Sites Or Away From Headquarters Overnight

Note: As required by Revenue Canada, all employees reporting to work at "Special Work Sites" are required to file with the employer, form TD4, which identifies the employee's principal place of residence ("PPR"). As described under Revenue Canada's requirements found under their Interpretation Bulletin – IT 91R4 "Employment at Special Work Sites or Remote Locations", a post office box will not qualify as a PPR but requires the place to be a self-contained living accommodation.

#### Regular Work Days

Where seasonal employees are required to work at a Special Work Site and the assembly point is greater than 100 kilometers from their primary or secondary principal place of residence (PPR), which ever is closer, or any employee is required by the Company to remain away from their headquarters or boarding cars overnight, the Company will, at their discretion, provide:

- Accommodation and meals or;
- Accommodation and a meal allowance of :
  - British Columbia       \$38.00
  - Alberta                   \$35.00
  - Saskatchewan           \$35.00
  - Manitoba                 \$35.00
  - Ontario                  \$35.00
  - Quebec                  \$35.00
- A daily per diem living allowance of \$92.00.

Note: When circumstances permit, the Company's selection will apply to the entire production crew.

Where employees are required to work at a special work site and the assembly point is 100 kilometers or less from their primary or secondary PPR, which ever is closer, employees are entitled to claim \$0.33 per kilometer traveled as a daily commuting allowance.

### Rest Days

An employee whose PPR is off the region, and who has not established a secondary PPR on the region, and are not able to travel to their PPR, may claim a rest day allowance as follows:

- Employees staying in accommodations supplied by the Company on regular work days may remain in the Company supplied accommodations and claim a rest day meal allowance of \$25.00, or,
- In lieu of remaining in Company supplied accommodation with a meal allowance, claim a rest day per diem living equal to 50% of the per diem living allowance.

## 12.3 Expense Claims

### **a)** A per diem living allowance:

- employees on a per diem must secure suitable accommodation to ensure proper rest.
- employees will be responsible for their own travel to and from their place of accommodation and the designated assembly location.
- employees will not receive per diem living allowance if absent from scheduled shifts unless due to bone fide illness or injury.

### **b)** Travel allowance on scheduled days off: (See Appendix B-1)

- qualification requirements under Appendix B-1 remain in effect.
- applies when traveling to/from principal place of residence (PPR) to/from special work site on scheduled days off.
- For the purpose of this claim, employees are allowed to register a second PPR on the Region in the event that their primary PPR is not located on the Region.

- secondary PPR's must be within a reasonable distance (100 kilometers) of the CPR track network.
  - employees must provide the Company with the address of their primary PPR and their secondary PPR, if one exists, at the outset of production gang season. The location of secondary PPR's will not be adjusted during the production gang season.
  - the relocation of primary PPR's must be supported by a change of address, change of telephone number when applicable, and a photo copy of their driver's license depicting their new address, where applicable.
  - as per the schedule contained in Appendix "B-1", employees will receive a flat rate allowance for traveling within a 100 kilometer zone and/or through a series of 100 kilometer zones.
  - this allowance will cover all expenses incurred while traveling on scheduled days off.
- c) Forced to temporary vacancies/positions: (must be a minimum of 100 kilometers from their residence)

For the sole purpose of this provision, home location will be considered to be within 100 kms of an employee's place of residence.

Expenses will be provided to employees who are forced to fill temporary vacancies/positions away from their home location.

An employee will be considered as "forced", if they fill a temporary vacancy/position to:

- Protect their seniority or,
- To protect their ES or JS or,
- To remain working (if there is no work available at home location).

The first month's expense allowance will be as follows:

- The Company's option of Company supplied accommodation and meals or; direct billed accommodation and meal allowance or; a per diem in lieu of same, as provided for in Section 12 of Wage Agreement 41. In instances where the expenses provided are direct billed accommodation and meal allowance or a per diem living allowance in lieu of same, the employee can instead elect a flat rate expense claim of \$1,200 without receipts.
- For all subsequent months, the employee will receive a flat rate of \$700 a month without receipts.
- Monthly flat rate expense claims will be subject to prorating and rounded up to the nearest week when an employee is released or displaced during the course of a month.

Rest Day travel in accordance with Appendix B1 will apply. However, in the application of this provision it is understood that any employee who, on or after March 18, 2005,-voluntarily changes their place of residence to more than 100 kms from the CPR track network, will not be entitled to rest day travel allowance (Appendix B1) for those kilometers beyond 100 kms from the CPR track network.

In order to lessen the need for employees to be forced to work away from their home location, the following exceptions will be made to the forcing provisions of the Collective Agreement and Job Security Agreement:

- A senior employee collecting ES benefits will not be forced to fill a temporary vacancy/position away from their home location if there is a qualified junior ES employee residing within 100 kms of the temporary vacancy/position.
- A senior laid off employee entitled to JS-SUB benefits will not be forced to fill a temporary vacancy/position away from their home location if there is a qualified junior employee residing within 100 kms of the temporary vacancy/position. It is understood that if their JS-SUB ceases, the senior employee will have the option of filling a temporary vacancy/position away from their home location. If the employee chooses to fill the temporary vacancy/position in this instance they will be entitled to expenses under this provision providing there is no work available at their home location.
- A senior laid off employee who is not entitled to JS-SUB benefits will not be required to fill a temporary vacancy/position away from their home location if there is a qualified junior employee residing within 100 kms of the temporary vacancy/position. It is understood that if the senior employee chooses to remain working by filling a temporary vacancy/position in this instance they will be entitled to expenses under this provision providing that there is no work available at their home location.
- It is also understood that when an employee has been forced to work away from their home location and a temporary vacancy/position that their seniority entitles them to later becomes available at their home location, the employee will have the option of returning to their home location to fill that temporary vacancy/position or stay on the temporary position away from their home location. However, if in this instance the employee opts to stay on the temporary position away from their home location, they will not be eligible for expenses, as this will no longer be considered as a "force".

#### 12.4 Auto Allowance

When directed by the Company to use a personal automobile, an automobile mileage allowance is paid in the amount of 33 cents per kilometer.

#### 12.5 Traveling or Detained On Orders Of Railway

Employees when detained for conveyance and while traveling on passenger trains on orders of the Railway to and from work away from their regular sections or headquarters after regular hours will be paid at the straight time rate for all time involved, except that they will not be paid between the hours of 10:00 p.m. and 6:00 a.m. when passenger sleeping car accommodation is provided for them.

Unless an employee is voluntarily exercising their seniority rights, an employee who is instructed to travel to relieve a foreman will be paid their regular rate while traveling to the assignment and will be paid at their foreman rate while returning to their regular assignment.

#### 12.6 Employees will be paid for time traveling in boarding and sleeping cars, on orders of the Railway, under the following conditions only:

- during regular working hours, or
- between 12:01 a.m. and 6:00 a.m. provided the employees concerned have to work that day, or
- between 6:00 a.m. and 10:00 p.m. on a regularly assigned rest day or on a general holiday.

Payment under the foregoing conditions shall be at straight time.

- 12.7 Employees not traveling in boarding and sleeping cars when such cars are moved on orders of the Railway will, provided they were available for duty at the old work location at the completion of work and are available for duty at the new location at the commencement of work, be paid straight time for the time taken for such movements during regular working hours.
- 12.8 When required the Foreman, or another employee designated by the Company, will accompany boarding and sleeping cars being moved from one location to another. In such circumstances, payment will be in accordance with Clause 12.6.
- 12.9 When practical to do so, boarding and sleeping cars shall be moved at times other than between 11:00 p.m. and 6:00 a.m.
- 12.10 Employees' time spent traveling to and from the designated assembly point during assigned hours will be included in a day's pay.
- 12.11 Employees' time spent traveling on track motor cars or Company-operated vehicles outside of assigned hours shall be paid at the time and one-half rate except while traveling as passengers in a bus, truck cab, crew compartment of a highway vehicle, or in other similar suitable equipment provided for the carrying of passengers, when payment will be made at the straight time rate.
- 12.12 Notwithstanding the provisions of Clause 12.11, employees' time spent traveling prior to regular starting time shall be paid at time and one-half rate.
- 12.13 The traveling time referred to in Clauses 12.11 and 12.12 will not be used in computing daily or weekly overtime.
- 12.14 When boarding cars are moved during the regular work cycle, employees moving their private vehicles outside of regular working hours will be paid the mileage allowance in accordance with Appendix B-1.
- 12.15 Assembly Points
- (a) Assembly points will be selected by the Company, in consultation with the Union.
  - (b) Employees time will start at the assembly point. Time will be paid for travel to and from the work site and the designated assembly point, if applicable, regardless of where employees elect to take lodging.
  - (c) For employees working at special work sites, in calculating penalty overtime, regular time will commence upon arrival at the work site or, one hour after starting time, whichever occurs first.
- Note: This application does not apply to Crew Bus Operators & other employees who engage in transporting employees to and from work sites, or employees operating Company vehicles.
- (d) Employees who voluntarily elect to travel between the assembly point and worksite in their own vehicles will be governed the same as (c) above, provided they reach the worksite on time.

12.16 Add new item 12.16 concerning meal on Boarding Car Outfits

Meals on Boarding Car Outfits

Prior to January 30<sup>th</sup> of each year, the Company will review the catering menu for boarding car outfits with the Union.

Should problems with meal quality or frequency arise, the concern will be immediately brought to the attention of the respective Work Crew Supervisor. If not resolved within 2 business days, the respective Director of the Union shall bring such concern(s) to the attention of the Manager of Track Programs and Equipment, within 5 days of the notice of the unresolved concern, so that the appropriate remedies can be identified and implemented.

#### 12.17 Laundry Allowance

When an employee working on a Seasonal Work Crew is away from their place of residence for a period of three nights (4&3 work schedule), or four nights (5&2 work schedule), or more, and where laundry facilities are not provided by the Company, a laundry expense of \$3.50 may be claimed. Dry cleaning charges do not qualify for the laundry expense claim.

- b) Amend Appendix B-1 to replace the word "weekend" with the words "rest day" in all places in Appendix B-1.
- c) Effective the first of the month following ratification, increase B-1 Weekend Travel Allowance base rates in table by 2 cents (bus fare rates)

### 13. CONTRACTING OUT –Section 13 of the Collective Agreement

Add a new paragraph to item 13.4 to provide for the attendance of one Local Chairmen from each BST to attend annual Contracting Out Meetings.

- 13.4 The Company will cover the expenses and wages for one Local Chairman from each affected Basic Seniority Territory to attend the annual Service Area contracting out review meeting.

### 14. INVESTIGATIONS & DISCIPLINE – Section 15 of the Collective Agreement

- a) Modify item 15.1 as follows:

- 15.1 No employee shall be disciplined or discharged until a fair and impartial investigation has been conducted and responsibility established.

An employee is not to be held out of service unnecessarily in connection with an investigation. An employee may be held out of service for an investigation for the following reasons:

- The nature of the offence is dismissible of itself, or,
- To expedite the investigation, or where it is necessary to ensure the availability of all relevant witnesses, or,
- The continued employment of the individual is in jeopardy, or,
- There are concerns regarding the safety of the employee.

In such cases, an employee held out of service more than 10 work days, or as mutually extended, will be paid a regular days pay, at the basic rate of pay, exclusive of overtime, for each day held out of service in excess of 10 work days, or such other agreed upon period, whatever the decision rendered by the Company.

If an employee is unavailable for investigation, the 10 day period shall be extended by a period equal to the period the employee was unavailable.

In the event that an employee is held out of service, the investigation is to be conducted as soon as possible.

b) Modify item 15.3 as follows:

15.3 The investigation will be completed within twenty eight calendar days from the date it is commenced. If the investigation is not completed within 28 calendar days it will be deemed to have found no cause for the assessment of discipline or for further investigation.

A decision will be rendered as soon as possible but not later than twenty-eight calendar days from the date the investigation is completed.

Time limits stated above may be extended upon mutual agreement which will not be unreasonably withheld.

c) The Company and the Union agree to work during the closed period on alternative grievance resolutions methods at the Step 2 level.

Refer to Appendix C of this Memorandum of Settlement establishing a new Appendix B – 48 in the Collective Agreement concerning a Letter on Alternate Grievance Resolution Meetings.

## 15. JOB CLASSIFICATIONS – Section 2 of the Collective Agreement

a) Amend Section 2 - item 2.4 Rates of Pay B&S Forces to reduce the number of job classifications by combining the following job classifications into one classification named B&S Foreman which will be paid at the existing B&S Foreman rate of pay:

New Title	Old Titles
B&S Foreman	B&S Foreman Painter Foreman

b) Upon ratification consolidate seniority lists for B&S Foreman and Painter Foreman employees. The list will be developed based on the date of entry into the Maintenance of Way service.

## 16. ADMINISTRATIVE ISSUES

a) In order to clean up the collective agreement, incorporate the remaining appendices into the main text during the re-write of the agreement, such as, but not limited to, the relevant portions of Appendix G.

Refer to Appendix D of this Memorandum of Settlement establishing a new Appendix B – 49 in the Collective Agreement concerning the incorporation of Appendices into the Collective Agreement.

## 17. OTHER

a) All Local Rules are to be approved by the Director Labour Relations and the President (or designate) of the TCRC – MWED. The approval process of all local rules will eliminate future disagreements with respect to the interpretation of what was agreed and maintain a centralized filing of all such rules.

Refer to Appendix E of this Memorandum of Settlement establishing a new Appendix B – 50 in the Collective Agreement concerning a Local Rules Letter.

b) Amend Section 7 to provide for the collection of a one-time Union Initiation Fee.

Refer to Appendix F of this Memorandum of Settlement

c) Amend the Collective Agreement to establish a new base rate of pay for TCRC MWED Health & Safety Officers at \$32.064/hour. It is understood that general wage increases shall apply to the newly established hourly base rates of pay.

d) Storing occupied Boarding Car Outfits adjacent to the main track.

Refer to Appendix H of this Memorandum of Settlement establishing a new Appendix B – 51 in the Collective Agreement.

e) Step Rates for new hires

Refer to Appendix I of this Memorandum of Settlement establishing a new Appendix B – 52 in the Collective Agreement.

f) Workplace Health & Safety Committee Members

Workplace H&S Committee Members will receive an annual lump sum payment that is equivalent to 1% of eligible earnings (pro-rated as necessary). This payment will be conditional upon the Workplace H&S Committee Member achieving the objectives established in their respective "Personal safety Action Plan".

This payment will be prorated on a monthly basis for month's service as a H&S Committee Member.

This lump sum payment shall be considered as pensionable earnings.

g) Retention Study

Refer to Appendix J of this Memorandum of Settlement establishing a new Appendix B – 53 in the Collective Agreement concerning a closed period retention study.

h) Seasonal Work Crew employees obtaining proper meals.

Refer to Appendix K of this Memorandum of Settlement establishing a new Appendix B – 54 in the Collective Agreement concerning Seasonal Work Crew employees obtaining proper meals.

i) Lunch meal allowance

Refer to Appendix L of this Memorandum of Settlement establishing a new Appendix B – 55 in the Collective Agreement concerning lunch meal allowance for Structures employees.

## **18. HOUSE KEEPING ITEMS**

a) Amend Timekeeper Agreement, Section 3.7, to read "District" rather than "Division"

b) Amend the chart in Appendix B-1 to read District 4 "Pacific" rather than "Prairie"

c) Include the Britt fuel plant classifications and seniority lists into the Collective Agreement.

d) Jointly develop a glossary during the re-write of the collective agreement to reduce redundant terms, define those that remain to facilitate a clearer understanding of the agreement. The glossary will be included in the new collective agreement.

e) Review the agreement to make it a gender neutral document prior to printing.

f) Amend the ES Agreement to include April 2006 agreement concerning ES top up.

- g) Renew Appendix B-43 of the Collective Agreement concerning Goalsharing; refer to Appendix G of this Memorandum of Settlement.

## 19. GENERAL

The foregoing changes, together with all recently concluded agreements dealing with individual Union demands are in full settlement of all requests eligible to have been served by and upon the Company and the Unions signatory hereto.

The parties have put sufficient detail in this Memorandum of Settlement so as to eliminate the requirement or need to execute a Memorandum of Agreement. Accordingly, as soon as possible after the ratification of the Memorandum of Settlement, the parties will meet to complete a re-write, translation and printing of the collective Agreement in conformity with the foregoing changes.

It is understood that this Memorandum of Settlement is subject to ratification.

## 20. DURATION

This Agreement (including all Supplemental Agreements) shall remain in effect until December 31, 2009.

**Note: The option for 2010 is attached on Page 38.**

### Appendix A

#### Accidental Death & Dismemberment Benefit

##### The Benefit

If an Employee sustains an injury as a result of an Accident while insured under this Benefit and suffers a Loss specified in the Table of Covered Losses, Manulife Financial will pay the amount specified in that table, provided the Loss:

- a) is a direct result of the accidental injury; and
- b) occurs within 365 days from the date of the accidental injury; and
- c) is total and irreversible or irrecoverable.

In the case of loss of speech or hearing, or loss of use of an arm, hand, or leg, the loss must be continuous for 12 months and determined to be permanent, after which time the benefit is payable.

##### Table of Covered Losses

In the following table, the amount payable is a percentage of the Benefit Amount for which the Employee was insured at the time the accidental injury occurred.

Only one percentage, the largest, will be paid for multiple losses to the same limb due to any one accidental injury.

No more than 100% will be paid for all losses due to any one accidental injury, except in the case of hemiplegia, paraplegia or quadriplegia, where the total amount paid will not exceed 200% (provided such benefit is paid while the Employee is living).

### Accidental Death & Dismemberment Benefit

**Covered Loss Percentage of Benefit  
Amount Payable**

Loss of Life	100%
Loss of, or Loss of Use of, Both Hands or Both Feet	100%
Loss of Sight of Both Eyes	100%
Loss of One Hand and One Foot	100%
Loss of One Hand and Sight of One Eye	100%
Loss of One Foot and Sight of One Eye	100%
Loss of Hearing in Both Ears and Speech	100%
Loss of, or Loss of Use of, One Arm or One Leg	75%
Loss of, or Loss of Use of, One Hand or One Foot	66 2/3%
Loss of Sight of One Eye	66 2/3%
Loss of Speech or Hearing in Both Ears	66 2/3%
Loss of Thumb and Index Finger or	33 1/3%
Loss of All Toes on One Foot	25%
Loss of Hearing In One Ear	25%
Hemiplegia, Paraplegia or Quadriplegia	200%

## **Accidental Death & Dismemberment Benefit**

Loss of hand means complete severance at or above the wrist joint, but below the elbow.

Loss of foot means complete severance at or above the ankle joint, but below the knee joint.

Loss of arm means complete severance at or above the elbow.

Loss of leg means complete severance at or above the knee joint. Loss of sight means the entire and irrevocable loss of sight of the eye.

Loss of speech means the entire and irrevocable loss of speech which does not allow audible communication of any degree.

Loss of thumb and index finger means the complete severance between the wrist and the interphalangeal and proximal interphalangeal joints of one hand, respectively.

Loss of finger means the complete severance at or above the knuckles joining the finger to the hand.

Loss of toe means the complete severance at or above the knuckle joining the toe to the foot.

Hemiplegia means paralysis of one side of the body.

Paraplegia means paralysis of the lower portion of the body (including the bowel and bladder) and both lower limbs due to injury of the spinal cord.

Quadriplegia means paralysis of four limbs.

### Exposure and Disappearance

If an Employee suffers a Loss specified in the Table of Covered Losses due to unavoidable exposure to the elements of nature after a conveyance in which the Employee was travelling, sinks, makes a forced landing or is lost, wrecked or stranded, such loss will be deemed to have occurred as a result of an accidental injury.

An Employee is deemed to have suffered death by accidental injury if his body is not found within 365 days after a conveyance in which the Employee was traveling, sinks, makes a forced landing or is lost, wrecked or stranded.

## **Accidental Death & Dismemberment Benefit**

### Losses Not Covered

No benefit is payable for any loss directly or indirectly related to:

- a) suicide or self-inflicted injury, whether the Employee is sane or insane;
- b) war, insurrection, the hostile actions of any armed forces, or participation in a riot or civil commotion;
- c) an infection (except pyogenic infections from an accidental cut or wound), illness or disease or the medical treatment of any illness or disease, or bodily or mental infirmity;
- d) riding in, boarding or leaving, or descending from, any aircraft as a pilot, operator or member of the crew;
- e) riding in, boarding or leaving, or descending from, any aircraft which is owned, operated or leased by or on behalf of the Employer;
- f) the committing of or attempt to commit an assault or criminal offence; or

- g) injuries sustained while operating a motor vehicle, either while under the influence of any intoxicant or if the Employee's blood contained more than 80 milligrams of alcohol per 100 millilitres of blood at the time of injury.

#### Waiver of Premiums

If an Employee's Life Insurance premiums are being waived while this Benefit is in force, the premiums for this Benefit will also be waived.

Waiver of Premiums for this Benefit will be effective on the same date as the Waiver of Premiums for the Life Insurance Benefit.

The amount of insurance continued under this provision will be subject to the same terms described under the Life Insurance Benefit, except that:

- a) the Conversion Privilege is not available for this Benefit (unless required by legislation or regulation);  
and
- b) Waiver of Premiums for this Benefit terminates when this Benefit terminates.

**APPENDIX B**

**Appendix B – 47**  
**New Atlantic Region – Quebec Division Seniority List**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of way Employees Division  
2775 Lancaster Road  
Ottawa, Ontario  
K1B 4V8

Dear Sir:

This is in regard to our discussions during the 2007 round of negotiations concerning the consolidation of the Atlantic Region seniority territories.

It is agreed that the parties will meet following ratification to finalize an Atlantic Region - Quebec Division seniority list prior to printing the collective agreement.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director Labour Relations

I Concur:  
W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

## APPENDIX C

### Appendix B – 48 Alternate Grievance Resolution Meetings

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of way Employees Division  
2775 Lancaster Road  
Ottawa, Ontario  
K1B 4V8

Dear Sir:

This is in regard to our discussions during the 2007 round of negotiations to explore alternate grievance resolution methods during the closed period. It is understood that this will not prevent the further handling of unresolved grievances in accordance with Section 15 of the Collective agreement.

Yours truly,

Paul Wajda  
Director, Labour Relations

**APPENDIX D**

**Appendix B – 49  
Incorporate Appendices into the Collective Agreement**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of way Employees Division  
2775 Lancaster Road  
Ottawa, Ontario  
K1B 4V8

Dear Sir:

This letter is with regard to our desire to incorporate the appendices into the collective agreement.

The parties agree that a four (4) person committee (two company and two Union), will be formed and be responsible for incorporating the appendices into the Collective Agreement. The principles contained within the appendices will not be altered. It is understood that some of the appendices may remain as stand alone as agreed by both parties. If both parties cannot reach agreement on the issue in dispute, the parties agree to progress to arbitration to resolve the issue.

The committee is to be formed within 30 days of ratification and completed within two (2) months, from the date of formation of the committee. The Company agrees to pay for the lost wages, including overtime and reasonable expenses associated with the participation of the two (2) Union members on the committee.

Yours truly,

Paul Wajda  
Director, Labour Relations

**APPENDIX E**

**Appendix B – 50  
Local Rules**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
2775 Lancaster Road  
Ottawa, Ontario  
K1B 4V8

Dear Sir:

This is in regard to our discussions during negotiations pertaining to the approval process of all local rules.

Effective the date of ratification all new local rules will need to be approved by the Director of Labour Relations (or designate) and the President (or designate) of the TCRC MWED. During 2007, both the Company and the Union agree to determine all existing local rules and ensure documentation exists to support the rule.

As such, effective January 1, 2008, only local rules signed by the President of the Union and the Director of Labour Relations will be in effect.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director Labour Relations

I Concur:  
W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

**Appendix F**  
**Amendment Section 7: Union Dues and Initiation Fee**

SECTION 7  
DEDUCTION OF DUES

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Union Dues

- 7.1 The Railway shall deduct on the payroll for the pay period which contains the 24th day of each month from wages due and payable to each employee coming within the scope of this collective agreement an amount equivalent to the uniform monthly union dues of the Teamsters Canada Rail Conference Maintenance of Way Employees Division, subject to the conditions and exceptions set forth hereunder.
- 7.2 The amount to be deducted shall be equivalent to the uniform, regular dues payment of the Teamsters Canada Rail Conference Maintenance of Way Employees Division covering the position in which the employee concerned is engaged and shall not include special assessments. The amount to be deducted shall not be changed during the term of this collective agreement excepting to conform to a change in the amount of regular dues of the TCRC MWED in accordance with its constitutional provisions. The provisions of Section 7 shall be applicable on receipt by the Railway of notice in writing from the TCRC MWED of the amount of regular monthly dues.
- 7.3 Employees filling positions of a supervisory or confidential nature not subject to all the rules of the applicable agreement as may be mutually agreed between the designated officers of the Railway and of the Organization, shall be excluded from dues deduction, except as otherwise provided for in Clause 10.21.
- 7.4 Membership in the TCRC MWED shall be available to any employee eligible under the constitution of the TCRC MWED on payment of the initiation or reinstatement fees uniformly required of all other such applicants by the local lodge or division concerned.
- 7.5 Deductions for new employees shall commence on the payroll for the first pay period, which contains the 24th day of the month.
- 7.6 If the wages of an employee payable on the payroll which contains the 24th day of any month are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee by the Railway in such month. The Railway shall not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
- 7.7 Employees filling positions coming within the scope of more than one wage agreement in the pay period in which deduction is made shall have dues deducted for the Organization holding the agreement under which the preponderance of their time is worked in that period. Not more than one deduction of dues shall be made from any employee in any month.
- 7.8 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Railway, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- 7.9 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Railway to the officer of the TCRC MWED, as may be mutually agreed by the Railway and the TCRC MWED, not later than forty calendar days following the pay period in which the deductions are made.

### Union Initiation Fee

- 7.10 New employees, whom the TCRC- MWED represents, that establish membership with the Union, shall be subject to a one time initiation fee of \$25.00, or as may be altered and communicated by the TCRC-MWED from time to time.
- 7.11 The initiation fee will be collected through payroll deduction on the first pay deposit that does not include a regular Union Dues deduction and will be forwarded by the Company to the Union, accompanied by a statement of deductions. Such deductions shall be remitted by the Railway to the officer of the TCRC MWED, as may be mutually agreed by the Railway and the TCRC MWED, not later than forty calendar days following the pay period in which the deductions are made.

### Liability, Litigation and Compensation

- 7.12 The Railway shall not be put to any cost or risk and shall not be responsible financially or otherwise, either to the TCRC MWED or to any employee, for any failure to make Union Dues and Initiation Fee deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues or initiation fee from an employee's wages, the Railway shall adjust it directly with the employee. In the event of any mistake by the Railway in the amount of its remittance to the TCRC MWED, the Railway shall adjust the amount in a subsequent remittance. The Railway shall have no liability for any and all amounts deducted pursuant to the provisions of this article.
- 7.13 In the event of any action at law against the parties (including without limitation any actions before a Court of Law, an Arbitrator, the Canada Industrial Relations Board, Human Resources Development Canada, or any other decision making body) hereto resulting from any payroll deductions made or intended to be made by the Railway in respect of a Union Dues and Initiation Fee deduction, all parties shall cooperate fully in the defense of such action. The TCRC - MWED shall bear its own costs in their entirety, including counsel fees. Further, the TCRC MWED shall indemnify and save harmless the Railway from any losses, damages, costs (including all legal costs), liability or expenses suffered or sustained by it as a result of making payroll deductions in respect of Union Dues and Initiation Fee deductions. In all cases, the TCRC-MWED agrees to keep CPR whole in all respects. In the case of any challenge of any kind as to the propriety of the Union Dues and Initiation Fee deductions, the TCRC-MWED shall assume all costs and responsibility associated with answering and defending any such challenge.
- 7.14 The question of what, if any, compensation shall be paid the Railway by the TCRC MWED in recognition of services performed under Section 7 shall be left in abeyance subject to reconsideration at the request of either party on fifteen days' notice in writing.

## Appendix G

### Appendix B – 43 Goalshare

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This is to confirm that an annual Goalshare or incentive program with a maximum payout of 5% of employees earnings will be implemented by the Company for the term of this contract. Such program may be either global in nature or targeted to specific areas e.g. Service Area, Track Programs & Equipment, Structures, Rail Butt Welding Plant or individual employees.

Each year's program will include 4%, based on business objectives. Each objective will have a target that is consistent with Engineering Services business plan, as well as a "stretch target". The purpose of the stretch target is to recognize results better than those anticipated, and provide employees with an opportunity to offset a shortfall elsewhere. Achieving a stretch target would increase potential payout by 25% on a business objective. In other words, a business objective that contributes 1% for achieving the target, would contribute 1.25% for achieving the stretch target.

In addition to the 4% for business objectives, an additional 1% is being made available based upon the Company achieving the operating income performance level established annually by the Board of Directors. There is no stretch target for the operating income objective.

While the maximum payout is 5%, the use of stretch targets allows employees additional flexibility and better recognizes their contribution.

Prior to implementation, the Company will advise the Union which objectives will be in place for the Goalshare Program year. As discussed, personal injuries will not form part of the program.

Goalshare payments are considered as pensionable earnings.

Yours truly,

Paul Wajda  
Director, Labour Relations

## Appendix H

### Appendix B – 51

#### Storage of occupied Boarding Car Outfits next to the main track

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This refers to recent discussions during negotiations concerning the storage of occupied Boarding car Outfits next to the main track.

The Union has expressed a desire to eliminate or minimize the storage of occupied Boarding Car Outfits next to the main track.

While the Company could not agree with the Union's demand, it nevertheless is prepared to implement the following:

- 1) As part of the annual meeting (as per Section 8.3), the General Manager of TP&E will provide to the Union a list indicating the locations on each subdivision that will be used to store occupied Boarding Car Outfits for the work season.
- 2) If the Union has any concerns with the locations that cannot be resolved at the 8.3 meeting, these issues may be escalated to the Vice-President of Engineering Services.
- 3) In addition to 1 and 2, the parties will meet within 45 days of ratification to review locations where Boarding Car Outfits are tied up next to the main track, and where alternate tie-up locations may be reasonably used instead.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

R.E. Wilson  
Assistant Vice President  
Industrial Relations

I Concur:

W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

**Appendix I**

**Appendix B – 52**

**Starting Rates (Section 2.1) – New hire employees**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This refers to the Union's desire to revise the Starting Rate provisions contained in Section 2 of Wage Agreements 41 & 42 and all applicable supplements to reflect that they begin at 90% of the job rate and increase by 5% every six (6) months.

While the Company could not agree with the Union's demand, starting rates can be reviewed as part of the closed period retention study.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director  
Labour Relations

I Concur:

W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

**Appendix J**

**Appendix B – 53  
Retention Study**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This refers to recent discussions during negotiations concerning the Union's desire for a pay equity study or mutually agreed upon alternative.

While the Company could not agree with the Union's demand for a pay equity study, it nevertheless is prepared to meet with the Union during the closed period to discuss the matter of employee attraction and retention.

The parties will review attraction and retention data, and identify specific positions or locations where there are problems attracting and retaining employees. The parties will work to determine the root cause issues, including the competitiveness of job and starting rates and can discuss appropriate solutions.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director  
Labour Relations

I Concur:

W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

**Appendix K**

**Appendix B – 54**

**Seasonal Work Crews staying in direct billed accommodation obtaining proper meals**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This is in regard to our discussions during negotiations pertaining to the Union's concern that employees on Seasonal Work Crews, which were staying in direct billed accommodation, were not being provided with a reasonable opportunity to obtain proper meals.

The parties agreed that when direct billed accommodation is located such that access to meal facilities is neither convenient nor feasible, then the Company will make transportation arrangements for employees to obtain meals or meal supplies.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director  
Labour Relations

Cc: B. Winter

I Concur:

W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

**Appendix L**

**Appendix B – 55**

**Lunch meal allowance for Bridge & Structures employees on the Toronto and Lakehead Division BST**

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March 23, 2007

Mr. W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division  
Suite 2 - 2775 Lancaster Rd.  
Ottawa, Ontario  
K1B 4V8

Dear Mr. Brehl,

This is in regard to our discussions during negotiations pertaining to the Union's concern that the Company was terminating the long standing practice of providing a lunch meal allowance to Structures employees that are required to work away from their headquarter location during the meal period of their work shift.

The parties agreed that the Company would not terminate this existing arrangement and that it would be maintained, on a without prejudice and precedent basis. Further, it was agreed that this practice would be incorporated into a Union/Company approved local rule, in keeping with the newly negotiated Local Rules provision of the collective agreement.

If the foregoing accurately reflects your understanding of this matter, please indicated your concurrence in the space provided below.

Yours truly,

Paul Wajda  
Director  
Labour Relations

I Concur:

W. Brehl  
President  
Teamsters Canada Rail Conference  
Maintenance of Way Employees Division

## **Terms and Provisions applicable to an optional fourth year contract term in 2010**

### Wages

- Amend Article 22.4 to read:

22.4 This agreement, effective January 1, 2007, as amended and updated, shall remain in full force and effect until December 31, 2010, and thereafter, subject to six months' notice in writing from either party to this Agreement of its' desire to revise, amend or terminate it. Such notice may be served at any time subsequent to June 30, 2010.

- Increase wage rates as follows:
  - Increase December 31<sup>st</sup>, 2009 rates by 3% effective January 1<sup>st</sup> 2010.

### Life Insurance & Disability Benefits

- Group Life Insurance coverage increased effective January 1, 2010, from \$39,000 to \$40,000
- Disability Benefits increase the maximum benefit effective January 1, 2010, to \$620.00.

### Dental Plan

- Dental Plan Benefits increase the annual maximum benefit January 1, 2010 from \$1,425 to \$1,550.
- Effective with treatment which commenced on or after January 1, 2010 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2009 or in the absence of same, the amount deemed reasonable by the Plan's insurer.

### Extended Health & Vision Care Plan

- Effective January 1, 2010, provide employees with a prescription drug card and implement dispensing fee caps. The Company covers 80% of the dispensing fee up to a maximum of \$5.00.
- Increase the life time maximum January 1, 2010, from \$48,000 to \$50,000.
- Effective January 1, 2010, charges for hearing aids prescribed in writing by an Otolaryngologist. The maximum amount payable in any 5 consecutive years is \$250 for all employees and their dependents. Therefore, the maximum payment of \$250, as stated above, will be reduced by the amount of any claim paid during the 5-year period immediately before the date of the current claim. The cost of the hearing aid test is also eligible for reimbursement, if a hearing aid is required and purchased.

### Work Rules

- Amend Section 12 of the Collective Agreement (Meals, Lodging & Expenses) :
- Increase the amounts in Item 12.2 change as follows:
  - British Columbia \$41.25, effective January 1, 2010
  - Other Provinces \$37.95, effective January 1, 2010
  - Increase per diem from \$92.00 to \$96.80, effective January 1, 2010
  - Where employees are required to work at a special work site and the assembly point is 100 kilometers or less from their primary or secondary PPR, which ever is closer, employees are entitled to claim \$0.35 per kilometer (effective January 1, 2010) traveled as a daily commuting allowance.
- Amend item 12.3 c) by increasing the flat rate expense amount from \$1,200 to \$1,320 and for subsequent months, increase the amount from \$700 to \$770.
- Amend item 12.4 by increasing the automobile mileage allowance amount from 33 cents per kilometer to 35 cents per kilometre.