

SHOPCRAFT
MEMORANDUM OF AGREEMENT

Dated

March 6, 2001

Between

CANADIAN NATIONAL RAILWAY COMPANY

And

THE NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA
(CAW-CANADA) LOCAL 100
COLLECTIVE AGREEMENT NO. 12

CONCERNING THE

Application of Wage Increase and other changes covering the
years **2001, 2002 and 2003**

Rates of Pay affected as indicated

Rules and Benefits effective
On the 1st of the month following ratification
or as otherwise indicated

10125(03)

DEFINITION

1. Term of Contract

Collective Agreement No. 12 covering employees represented by the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-CANADA) Local 100, will be renewed for a period of three years commencing January 1, 2001.

2. Wages

- a) Effective January 1, 2001, an adjustment of 20 cents to the basic rate per hour in effect December 31, 2000 plus a general wage increase of 2%.
- b) Effective January 1, 2002, an adjustment of 20 cents to the basic rate per hour in effect December 31, 2001 plus a general wage increase of 2%.
- b) Effective January 1, 2003, an adjustment of 20 cents to the basic rate per hour in effect December 31, 2002 plus a general wage increase of 2%.
- d) For Helpers, Coach Cleaners and Apprentices, along with the 2% general wage increases mentioned above, adjustments of 35 cents effective January 1, 2001 and 25 cents effective January 1, 2002.

3. Employee Share Investment Plan

The Company Employee Share Investment Plan will continue to be made available to eligible employees in accordance with the terms of the Plan. The Company may, at its discretion, alter, amend, revise or discontinue the Plan, in any manner, in whole or in part provided thirty days' notice in writing is given to the Union. This provision will not form part of any Collective Agreement.

4. Long Term Disability

The CN Pension Committee has tentatively agreed to a process which, into the closed period, will result in the transformation of the disability pension provisions and they being replaced by a long term disability benefit plan which would be cost neutral to employees and provide a tax-free benefit. This provision will not form part of any Collective Agreement.

5. Pensions

The CN Pension Committee has agreed to a process which will result in improvements to the basic pension formula to 1.6% effective January 1,

2001 and to 1.7% effective January 1, 2002. This provision will not form part of any Collective Agreement.

6. Employee Benefit Plan - Life Insurance and Sickness Benefits

The Employee Benefit Plan Supplemental Agreement dated July 25, 1986, as amended, in respect of employees governed by this Memorandum of Agreement, will be further amended, effective the first of the month following ratification, or as otherwise indicated, as follows:

a) **Term Life Insurance**

The group life insurance coverage will be increased from \$30,000 to **\$50,000** for employees who have compensated service with the Company on or subsequent to that date if otherwise qualified under the provisions of the Benefit Plan.

b) **Weekly Indemnity - Sickness Benefits**

<u>Weekly Base Pay</u>	<u>Sickness Benefit</u>
Employees earning \$120.01 and over:	
Effective first day of the month following ratification	70% of base pay up to a maximum weekly benefit of \$540 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Effective January 1, 2002	70% of base pay up to a maximum weekly benefit of \$550 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Effective January 1, 2003	70% of base pay up to a maximum weekly benefit of \$560 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Employees earning less than \$120.01:	\$80 or 75% of weekly base pay, whichever is less.

Claimants in receipt of Employment Insurance Sickness Benefits will have such benefits supplemented to equal to their Sickness Benefit entitlement.

NOTE: Supplemental payments pursuant to the above are subject to C.E.I.C. approval.

c) **Maternity Leave Benefits**

- i) Effective the first day of the month following ratification, for claims which originate on or after that date an employee will have her Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of **\$540** for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.
- ii) Effective January 1, 2002 for claims which originate on or after that date an employee will have her Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of **\$550** for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.
- iii) Effective January 1, 2003 for claims which originate on or after that date an employee will have her Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of **\$560** for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.

NOTE: Supplemental payments pursuant to the above are subject to C.E.I.C. approval.

7. Dental Plan

The Dental Plan Agreement dated July 25, 1986, as amended, in respect of employees governed by this Memorandum of Agreement will be further amended as follows:

- a) Effective with treatment commencing on or after the first day of the month following ratification, 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 2001. The maximum annual benefit for the Dental Plan will be

moved from \$1125 to **\$1225** for treatment commencing on or after the first day of the month following ratification.

- b) Effective with treatment commencing on or after January 1, 2002 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 2002. The maximum annual benefit for the Dental Plan will be **\$1225** for treatment commencing on or after the first day of January 2002.
- c) Effective with treatment commencing on or after January 1, 2003, 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 2003. The maximum annual benefit for the Dental Plan will be moved from \$1225 to **\$1325** effective January 1, 2003 for treatment commencing on or after January 1, 2003.

8. **Extended Health Care Plan**

The Extended Health Care Plan dated July 25, 1986, as amended, for employees covered by this Memorandum of Agreement, will be further amended, effective the first day of the month following ratification, as follows:

Maximum Lifetime Benefits

- a) The Maximum Lifetime Benefit as set out in the Extended Health Care Plan is increased from \$40,000 to **\$41,000** per person for eligible employees and dependents.
- b) Effective January 1, 2002, the Maximum Lifetime Benefit as set out in the Extended Health Care Plan is increased from \$41,000 to **\$42,000** per person for eligible employees and dependents.
- c) Effective January 1, 2003, the Maximum Lifetime Benefit as set out in the Extended Health Care Plan is increased from \$42,000 to **\$43,000** per person for eligible employees and dependents.

9. **Life Insurance Upon Retirement**

- a) An employee who retires from the service of the Company subsequent to the first day of the month following ratification, will, provided he is fifty-five years of age or over and has not less than ten

years' cumulative compensated service, be entitled, upon retirement, to a **\$6,000** death benefit, fully paid by the Company.

- b) An employee who retires from the service of the Company subsequent to January 1, 2003, will, provided he is fifty-five years of age or over and has not less than ten years' cumulative compensated service, be entitled, upon retirement, to a **\$7,000** death benefit fully paid by the Company.

10. Passes

The Union's proposal concerning passes on VIA trains is resolved on the basis of the letter attached hereto as **Attachment 1**.

11. Rule 31.9: Shift Differential

Amend Rule 31.9 to read:

- 31.9 Employees whose regularly assigned shifts commence between 1400 and 2159 hours shall receive a shift differential of **fifty cents (50¢) per hour** and employees whose regularly assigned shifts commence between 2200 and 0559 hours shall receive a shift differential of **fifty-five cents (55¢) per hour**.

Overtime shall not be calculated on the shift differential nor shall the shift differential be paid for paid absence from duty such as vacations, general holidays, etc.

12. Rule 44: Bereavement Leave

Amend Rule 44 to read:

- 44.1 Upon the death of an employee's spouse, child or parent, the employee shall be entitled to **five (5) working days' bereavement** leave without **loss** of pay provided that the employee has not less than three months' cumulative compensated service.
- 44.2 Upon the death of an employee's brother, sister, step-parent, father-in-law, mother-in-law, step-brother or step-sister, grandchild or grandparent, the employee shall be entitled to three (3) days bereavement leave without loss of pay provided that the employee has not less than three months' cumulative compensated service.

It is the intent of this Rule to provide for the granting of leave from work on the occasion of a death as aforesaid and for the payment

of the employee's regular wages for that period to the employee to whom leave is granted.

If an employee is bereaved while on vacation, bereavement leave days shall not be included as part of the vacation period. The vacation days not taken will be rescheduled through mutual agreement between the Company and the employee.

Definition of Eligible Spouse

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

WORK RULES

13. Rule 5: Overtime and Calls

- a) Amend Rules 5.2 (a) and (b) to change references of *one hour* to read *two hours* with understanding that this will not result in an employee losing eligibility for a meal. Also, alternate shift arrangements may be considered locally where practicable.
- b) Amend Rule 5.14 to add a Note to address adjustment process for valid missed overtime opportunities. See **Attachment 2**.

14. Rule 23: Seniority

- a) Rules 23.17 and 23.18: The issue of delaying of exercising of seniority in specific layoff situations is resolved in favour of the senior employee, as per **Attachment 3**.
- b) Rule 23.29 is amended to provide that in circumstances where employees are trained for vacant positions as identified below, said employee(s) may be required to remain on such a position for a maximum period of up to nine (9) months. Insert new fourth paragraph of Rule 23.29 to read:

“Employees awarded a position in accordance with the provisions of this rule may be required to remain on such position for up to

nine **(9)** months. During such period, employees will nevertheless be allowed to bid on other vacant positions and will be allowed to move to such vacant positions upon completion of the period of lock-in.”

The jobs this provision applies to are:

Transcona:

- Wheel Complex
- Wheel machine
- Robot Plant Car Shop
- Crane Inspections
- Machine Center/Traction Motor

The above provisions will take effect on the first of the month following ratification of this Memorandum of Agreement.

15. Rule 27: Grievance Procedure

Update of the Rule 27 - Grievance Procedure is resolved on the basis of **Attachment 4**.

16. Rule 30: Apprenticeship Program

The parties’ concerns pertaining to the issue of attraction and retention of apprentice candidates, as well as the issue of increasing the current one-year credit limit in certain circumstances are resolved as per the provisions of **Attachment 5**.

17. Rules 1 and 3: Hours of Work and Assignment of Rest Days

The concerns raised by each party during the course of the negotiations with respect to Rule 3 are addressed as per the provisions of **Attachment 6**.

- 1.14 When at a particular small point, the regular arrival or departure time of trains make these hours impracticable to the requirements of the service, a regular assignment of the necessary number of employees may be arranged to meet these local conditions. In any dispute concerning this provision, it shall be incumbent on the Company to show that such departure is necessary to meet operational requirements. Further, the Company shall enter into full consultation with the respective Regional Vice-president of the Union prior to implementing any change and shall give full consideration to all suggestions and alternatives. Under no

circumstance can split shifts be introduced without the mutual agreement of the parties. This provision shall not be used as a means of reducing employment levels at any location.

18. Rule 51: Contracting Out

Amalgamation and clarification of Rules 51.2, 51.3, 51.4 and 51.5. To read as per **Attachment 7**.

19. Rule 58: Printing of Agreements

The issue is resolved on the basis that the Company will undertake to print the Collective Agreements and Addendums no later than 90 days from the date of the signing of the Master Agreement and distribute same in appropriate numbers.

20. New Rule: Discrimination and Harassment in the Workplace

The matter is resolved on the basis of **Attachment 8**.

21. Transcona Shops

The parties' other concerns pertaining to Transcona, i.e. Component Work, are resolved on the basis of the letter attached as **Attachment 9**, an agreement on the types of components and the scheduling for their return.

Staff Movement and Bulletining are resolved on the basis of a closed period commitment to review same and jointly develop procedures to expedite job filling and minimize disruptions.

22. Appendix X: Trades Modernization Agreement

The parties' respective concerns regarding the Trades Modernization Agreement are resolved on the basis of the provisions of **Attachment 10**.

23. Appendix XII: Certified Car Inspection-CCI Locations

Amend letter dated August 22, 1998 of Appendix XII to reflect the following changes:

- Oakville is to be added list.
- Sydney is to be removed from the list.
- McLennan is to be removed from the list.

All other provisions of the letter to remain in effect.

24. Checking In and Out

The allowance provided for under Rule 43.1 equivalent to 1 and 2/3% will be rolled into the basic hourly rates of pay. Article 43.1 will be deleted. The Union acknowledges that the Company may institute any new or revised time/work reporting procedures or technologies, which may require employee action or inter-action and no additional compensation would be prescribed.

25. Update of Appendices (i.e. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14).

26. Appendix 13 is resolved on the basis of **Attachment 11**.

27. Promoted Employees and Seniority Accumulation

The Union's concerns regarding seniority for employees promoted out of the bargaining unit are resolved on the basis of **Attachment 12**.

28. Various Attachments

Letter concerning painting of locomotives and maintenance of HUCK machine – **Attachment 13**

Bank time process – Trial basis – **Attachment 14**

Closed-period commitment to review Facility Maintenance work re: jurisdiction of work – **Attachment 15**

Letter on Multi Level Autorack cars – **Attachment 16**

Letter re: MacMillan Yard Bus Service – **Attachment 17**

Letter re: Closed-period commitment to review duties and responsibilities of shopcraft trades – **Attachment 18**

EMPLOYEE SECURITY AND INCOME : AGREEMENT

All changes to take effect the first day of the month following ratification.

29. Amend Article 3.2 (a) (i) to read:**3.2**

(a) Notwithstanding the provisions of Article 3.1, the following types of cases not specifically covered by The Plan may be submitted to the Labour Adjustment Committee for adjudication and payment of benefits, but such cases shall not be subject to arbitration:

(i) special case(s) involving extenuating circumstances.

NOTE: If the extenuating circumstances involve the relocation of employees to the Metropolitan Toronto area, such employees, provided they are a homeowner and eligible for relocation benefits pursuant to the provisions of Articles 6.1 and 6.2 therein, will be allowed a special relocation allowance of **\$20,000.** (\$18,000)

In the event that employees who are eligible for relocation benefits pursuant to the provisions of Articles 6.1 and 6.2 herein, relocate, the President - Local 100 may meet with the Vice-president, Labour Relations to discuss whether or not there are extenuating circumstances to warrant a special relocation allowance. In the event that such discussions do not result in mutual agreement, the Union may, within 30 calendar days, refer the outstanding issue to the Labour Adjustment Committee.

30. Amend Article 6.4 to read:

6.4 An eligible employee will receive an allowance of up to **\$825** for incidental expenses actually incurred as a result of relocation. (750)

31. Amend Article 6.5 to read:

6.5 Reasonable transportation expenses from their former location to their new location by rail, or if authorized, by bus or employee-owned automobile, and up to **\$210** for employees without dependents and an additional amount of **\$100** will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail and bus transportation. (190) (\$80)

32. Amend Article 6.8 to read:

6.8

(a) Except as otherwise provided in Article 6.8 (c), reimbursement of up to **\$14,000** for loss sustained on the sale of a relocating employee's private home which the employee occupied as a year-round residence. **Loss** sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location, and any mortgage closure penalties, and the amount established as the selling price in the deed of sale.

(c) Notwithstanding the provisions of Article 6.8 (a):

(i) should a change take place involving relocation of Company employees whereby the number of homes being listed for sale by such Company employees represent 15 per cent or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full **loss** on such homes, which **loss** shall be determined by the procedures described in Article 6.12 of The Plan. The number of Company employees' homes referred to above shall, for the purpose of establishing the 15 percent, include the homes of all Company employees which are being offered for sale as a result of and at the time of the change; or

(ii) Should a change occur involving relocation of Company employees covered by The Plan as well as Company employees covered by other collective agreements, the maximum amount of **\$14,000** specified in Article 6.8 (a) shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other collective agreement.

33. Amend Article 6.9 to read:

6.9 Payment will be made for the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the **cost** of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of **\$7,000**.

A mobile home will be considered not moveable if it is on a fixed foundation and on land owned by the employee. In such cases, homeowner provisions will apply.

34. Amend Article 6.10 to read:

6.10 If employees, who are eligible for moving expenses does not wish to move their household to their new location they may opt for a monthly allowance of **\$215** which will be payable for a maximum of 12 months from the date of transfer to their new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid 12-month limitation. An employee who elects to move his household effects to a new location during the twelve-month period following the date of his initial transfer will only be eligible for relocation expenses under this Article for one such move and payment of the monthly allowance referred to above shall terminate as of the date of his relocation.

35. GENERAL

- a) The foregoing changes are in full settlement of all requests served by and upon the Company and the Union referred to on the cover page of this Memorandum of Agreement before, on, or subsequent to September 1, 2000, without stoppage of work during the continuance hereof.
- b) This Memorandum of Agreement supersedes all previous agreements, rulings and interpretations which are in conflict therewith and shall remain in full force and effect to December 31, 2003 and thereafter, subject to 120 days' notice in writing by either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served any time subsequent to August 31, 2003.
- c) Employees who perform service subsequent to December 31, 2000 shall be entitled to any amount of compensation that may be due them as a result of the signing of this Memorandum of Agreement.
- d) It is understood and agreed that the Union and its Negotiating Committee will recommend the Memorandum of Agreement for ratification.

Signed at Montreal, Quebec, this 6th day of March, 2001.

**FOR THE CANADIAN NATIONAL
RAILWAY COMPANY**

**FOR THE NATIONAL AUTOMOBILE,
AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION
OF CANADA LOCAL 100**

Richard J. Dixon
Vice-President
Labour Relations
and Employment Legislation

John Moore-Gough
President, Local 100

Douglas S. Fisher
Director, Labour Relations

John Burns
Vice-president

Alain de Montigny
Manager, Labour Relations

Dennis Wray
Vice-President

Jack D. Bennett
Chief Mechanical Officer - Car

John L. Gouveia
Vice-president

Jim Danielwicz
Chief Mechanical Officer - Locomotive

Jacques Fréchette
Vice-president

Earl Garland
Vice-president

Paul Van Wart
Bargaining Representative

	Robert A. Davis Bargaining Representative
	Louis Têtu Bargaining Representative
	Léo Dallaire Bargaining Representative
	R.J. MacDonald Bargaining Representative
	Robert Bourrier Health, Safety and Legislative Coordinator

ATTACHMENT 1**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the matter of pass transportation benefits presently applicable to employees of Canadian National Railway Company (CN) represented by your respective organization, and the status of this benefit as to its future application on trains operated now and in the future by VIA Rail Canada Inc.

This will confirm that the matter of pass transportation benefits has been resolved on the basis that, subject to the demands of the traveling public, the present pass policies on CN will be maintained for employees represented by you who were in the service of CN on or prior to March 13, 1979, until the time notices are served on or subsequent to August 31, 2003, and thereafter until the provisions of Section 89 of part I of the Canada Labour Code have been complied with or until some other mutually satisfactory resolution of this matter is agreed.

Employees are required to return unused VIA Rail tickets to avoid unnecessary costs to CN. Employees who do not return unused tickets, will be notified their transportation privileges will be subject to suspension pending the return of unused tickets to the Company, within 30 days. Where timely notification is not received by CN, individual transportation privileges will be suspended and the President of Local 100 will be notified.

For the purpose of this letter, the word "employees" includes pensioners.

Yours truly,

Richard J. Dixon
Vice-President
Labour Relations and Employment Legislation

ATTACHMENT 2



Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
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Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
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March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario **N8W 3S4**

Dear Mr. Moore-Gough:

This has reference to the discussions held during the course of contract negotiations to renew Collective Agreement 12, regarding Rule 5 – Overtime, and in particular, with respect to the adjustment process for valid missed overtime opportunities.

Rule 5.14 reads as follows:

“5.14 Record will be kept of overtime worked and employee called with the purpose in view of distributing the overtime equally.”

In line with the above principle, in circumstances where it is mutually agreed between the immediate Supervisor and Local Union Representative to make adjustments to overtime claims, remedy in kind equivalent to the missed overtime opportunity (i.e. days off, shift) will be offered to the interested employee within thirty (30) days of the date of said agreement. Notwithstanding the thirty (30) days referred to, the remedy in kind must fall within the agreed upon equalization period.

The above will not apply to circumstances where it is agreed that employees were improperly omitted for an overtime opportunity on account of a call initiated from the wrong calling list or in the event of a missed opportunity of assignment under Rule 6 of the Agreement, in which specific cases payment will be made.

If you concur with the above, please so signify in the space provided below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 3**Human Resources**

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March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the discussions held during the course of contract negotiations to renew Collective Agreement 12, regarding Rules 23.17 and 23.18 of the Collective Agreement.

In instances in which employees are laid off or are being laid off at more than one seniority terminal on a Region, resulting in an employee being unable to hold work as a result of having insufficient seniority to displace under the provisions of Articles 23.17 (a) and 23.17 (b) or 23.18, that employee will be permitted to delay her/his exercise of seniority until such time as a junior employee becomes available. It will be the responsibility of the employee to notify the Company and the Union, in writing, of her/his intention to delay the displacement rights the employee is delaying, ie. Articles 23.17 (a), 23.17 (b) and 23.18. In instances when the displacement is delayed beyond the 30 calendar days specified in Articles 23.17 and 23.18, relocation expenses will not be provided unless required by Article 6 or Article 7 of the ESIMA.

For greater clarity, an employee may not delay an exercise of seniority under Rule 23.18, beyond the 30 calendar days specified in Rule 23.18, unless there are no junior employees in their respective classification on the Region working and there are laid off junior employees in the classification on the Region.

An employee may not delay an exercise of seniority under Rule 23.17 (b), beyond the 30 calendar days specified in Rule 23.17 (b), unless there are no junior employees in their respective classification on the Basic Seniority Territory

working and there are laid off junior employees in the classification on the Basic Seniority Territory.

An employee may not delay an exercise of seniority under Rule 23.17 (a), beyond the 30 calendar days specified in Rule 23.17 (a), unless there are no junior employees in their respective classification on the Plan's Eligibility Territory working and there are laid off junior employees on the Plan's Eligibility Territory.

It is clearly understood that the aforementioned process does not supersede, amend or modify the provisions of Article 7 of the ESIMA or any other rights, benefits or obligations under the terms of the ESIMA.

If you concur with the above, please so signify in the space provided below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 4

Human Resources

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March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the discussions held during the course of contract negotiations regarding the Grievance Procedure provided in Rule 27 of Agreement 12.

The parties have agreed to the following clarification and modification to the current procedure as a resolve of this matter:

Grievance Procedure

Should employees subject to this Agreement believe they have been unjustly dealt with, or that any of the provisions of this Agreement have been violated, they shall present their alleged grievance to their immediate supervisor for adjustment. If not so adjusted, and they wish to have the matter progressed, they shall present it in writing to the authorized local union representative(s), within 20 calendar days from the date of the alleged grievance, outlining all pertinent details and the date of the occurrence of alleged grievance.

Step I

Within 35 calendar days of the alleged grievance the authorized local union representative(s) may progress the grievance in writing, outlining all pertinent details and date of grievance to the designated railway officer

(Line Points, Running Shops and Transcona Shops: Authorized Local Union Representative to Shop Supervisor/Manager).

A decision shall be rendered in writing within 28 calendar days from the date of receipt of the grievance and a copy will be furnished to the employee and the authorized union representative.

Step II

- 27.7 If the matter remains unresolved, within twenty-eight (28) calendar days following receipt of the decision under Step 1, the Regional Vice-president of the Union may appeal the decision in writing to the designated Company Officer as per the following:

Line Points on Districts: Regional Vice-president to Division Mechanical Officer

Running Shops: Regional Vice-president to Division Mechanical Officer

Transcona Shops: Regional Vice-president to Chief Mechanical Officer, Car or Chief Mechanical Officer, Motive Power

Joint Conference

- 27.7 The Company and the Union recognize the necessity of reviewing all details of differences through open and frank discussions. To that end, following the submission of a grievance at Step 2 of the grievance procedure, each grievance may be reviewed through a Joint Conference discussion between the Regional Vice-president and the designated Company Officer. Said discussion will be held between the above-mentioned representatives no later than thirty-five (35) calendar days following the receipt of the grievance at Step 2, or as otherwise mutually arranged.

A decision will be rendered by the Company, in writing, within 14 days from the date of the joint conference or within 28 days from the date when either party advises the other, in writing, that a joint conference discussed will not be required for the case at hand.

NOTE: Remaining provisions of current Rule 27.7 to be deleted, except for NOTES 1 and 2. Rule 27.8 up to and including 27.13 to continue as current, but remove reference to Step III. Rule 28 pertaining to the Final Disposition of Grievances to remain as is, with the exception of Rule 28.2 which is to read as follows :

28.2 The party requesting arbitration must so notify the other party in writing within sixty (60) calendar days following the date when the decision was rendered at the last step of the grievance procedure, as per the following:

Line points and Running Shops: Regional Vice-president or President Local 100 to Divisional Vice-president

Transcona Shops: Regional Vice-president or President Local 100 to Vice-president, Mechanical/Engineering

If you concur with the above, please so signify in the space provided below.

Yours truly,

I concur.

Richard J. Dixon
Vice President
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 5



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March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

During the discussions in the negotiations to renew Collective Agreement 12, the Company raised several concerns regarding the subject of apprentices and the anticipation of a renewed focus on apprenticeship programs at CN.

The Company was concerned that once it begins to implement said apprenticeship programs, that tight labour markets for skilled employees might lead to an unreasonable turnover of these individuals after the Company had invested significant sums in formal and on-the-job training. Our desire was to ensure a reasonable return on our training investments in these individuals.

We discussed methods of retention and attraction, and appeared to be diametrically opposed in our views as to which scheme would yield the greatest benefit for the Company. Notwithstanding that, we both agree that the issue is of importance and mutual benefits will flow from a cooperative resolution.

Additionally, the question was raised whether or not the current apprenticeship program is appropriate and reflective of the current requirements of the parties. Specifically, the proliferation of formal trade and technical school programs is expected to produce a higher level entrant to our future apprenticeship programs than we may have seen in the past. The Company therefore suggested that the present four-year program with the possibility of a one-year waiver, might be modified in certain circumstances to as little as a two-year program, depending on the pre-employment qualifications of the entrant, and of course on the rules of the respective provincial certification body.

Given the complexity of these issues, the parties have agreed to move all questions related to apprentices and apprenticeships to the closed period for further review and optimally, mutual agreement on amendments.

If you concur, please signify your agreement by countersigning below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 6**Human Resources**

Canadian National
 Box 8100
 Montreal, Quebec, Canada
 H3C 3N4

Ressources humaines

Canadien National
 C.P. 8100
 Montréal (Québec) Canada
 H3C 3N4

March 6, 2001

Mr. John Moore-Gough
 President, Local 100
 National Automobile, Aerospace,
 Transportation and General Workers
 Union of Canada (CAW-Canada)
 3542 Walker Road
 Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the concerns raised during the contract negotiations to renew Collective Agreement 12, regarding Rule 3 pertaining to Rest Days.

Following substantial discussions on this matter, the parties have agreed that the respective concerns of the parties are best to be addressed through local discussions, which are to be held upon request by either party. Such discussions will include the Shop Manager, the Local Representative and the Regional Vice-president of Local 100.

Failing satisfactory resolution of the issues, either party may request that the matter be referred to the LAC (Labour Adjustment Committee) for further review of all factors and concerns involved, with the intent of bringing such matters to a satisfactory resolution.

The above Committee will include the Divisional Mechanical Officer or Chief Mechanical Officer and the Director, Labour Relations for the Company and the President and Vice-president of Local 100, CAW.

If you concur with the above, please so signify in the space provided below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 7



Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the discussions held during the course of the current contract negotiations pertaining to the amalgamation of Rules 51.2, 51.3, 51.4 and 51.5 of Agreement 12.

The parties concur that the purpose of this amalgamation is for brevity and does not intend to modify the present rights of either party conferred in the current rule. The amalgamated Rules will read as follows:

51.2 Except in cases of emergency, the Company will advise the Union representatives involved in writing, as far in advance as practicable, but no less than thirty days, of its intention to contract out work which would have a material and adverse effect on the employees.

In all instances of contracting out, the Company will hold discussions with the representative of the Union in advance of the date contracting out is contemplated, except in cases where time constraints and circumstances prevent it.

51.3 The Company will provide the Union with a description of the work to be contracted out; the anticipated duration; the reasons for contracting out, and, if possible, the date the contract is to commence, and any other details as may be pertinent to the Company's decision to contract out. During such discussions, the Company will give due opportunity and consideration to the Union's comments on the Company's plan to contract out and review in good

faith such comments or alternatives put forth by the Union. If the Union can demonstrate that the work can be performed internally in a timely fashion as efficiently, as economically, and with the same quality as by contract, the work will be brought back in or will not be contracted out, as the case may be. Where a business case cannot be made to have the work performed by CAW members under existing collective agreement terms and conditions, the parties may, by mutual agreement, modify such terms and conditions in an effort to have the work performed by CAW members.

- 51.4 Should a Regional Vice-president, or equivalent, request information respecting contracting out which has not been covered by a notice of intent, it will be supplied promptly. If the Regional Vice-president requests a meeting to discuss such contracting out, it will be arranged at a mutually acceptable time and place.

Current Rule 51.6 to read 51.5.

If you concur with the above, please so signify in the space provided below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 8



Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This refers to the discussions held during the course of the contract negotiations with respect to the Union's demand related to discrimination and harassment in the workplace.

The Company appreciates the Union's motivation and therefore proposes amending the Collective Agreement by including a new Rule as per the following:

"Rule:....

- (a) It is agreed by the Company and the Union that there shall be no discrimination or harassment towards an employee based on the employee's age, marital status, race, colour, national or ethnic origin, political or religious affiliation, sex, family status, pregnancy, disability, union membership or sexual orientation.
- (b) It is agreed that the terms *discrimination* and *harassment* as used in this Rule, shall be defined and interpreted in the Canada Human Rights Act."

Notwithstanding the above, the Company has indicated its concern that based on experience, certain employees misunderstand the legal concepts of harassment and/or discrimination. In order to avoid any confusion, the Company and the Union agree that the actions of a lead hand, supervisor or management personnel telling employees "to get back to work" or to perform their assigned duties, does not in and of itself constitute harassment or discrimination.

If you concur with this understanding, would you please so indicate by signing below.

Yours truly,

I concur

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 9**Human Resources**

Canadian National
 Box 8100
 Montreal, Quebec, Canada
 H3C 3N4

Ressources humaines

Canadien National
 C.P. 8100
 Montréal (Québec) Canada
 H3C 3N4

March 6, 2001

Mr. John Moore-Gough
 President, Local 100
 National Automobile, Aerospace,
 Transportation and General Workers
 Union of Canada (CAW-Canada)
 3542 Walker Road
 Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

During the discussions in the negotiations to renew Collective Agreement 12, the Union raised several concerns regarding the issue of component work at Transcona and the letter regarding a closed period commitment dated August 22, 1998.

That letter read in part:

"It was agreed that issues related to facility maintenance, components, and heavy repairs at Transcona Motive power will be moved to closed period discussions and selected demonstration projects. The Company and the Union will use their best efforts to explore and identify internal and contract repair work opportunities.

The parties additionally agree that the foregoing understanding and any subsequent agreement concerning work activities at Transcona Motive Power will be without prejudice to either party's position on jurisdictional claims or disputes that have been filed in a timely fashion."

Over the life of the collective agreement, that commitment led to unprecedented in-sourcing of craft work equivalent to over 200 person years per year while avoiding any seasonal layoffs.

The Union has expressed concern that the external work sources may be drying up, and as a result, the Union is seeking assurances from the Company

regarding specific major component work that has not been performed in-house in the recent past.

In order to address the Union's concerns the Company is willing to return some specific work on a phase-in basis over the life of the renewed collective agreement.

The component work that would be phased in and the timetable for such is as follows:

- a) D90 traction motors commencing July 1, 2001
- b) Main engine rebuilds commencing March 6, 2001
- c) 645 Turbo Chargers commencing July 1, 2003
- d) Air compressors commencing July 1, 2002
- e) Auxillary generators, commencing July 1, 2001
- f) Power assemblies, prior to the expiration of the collective agreement

The parties agree that should there be opportunities for further contract work, either motive power or components, the parties agree that the phase-in schedule may be delayed in order to accommodate the in-sourcing opportunity, but in no case shall it be delayed beyond the expiration of the collective agreement, unless otherwise mutually agreed.

The foregoing represents full and final settlement of all the Union's demands regarding component work and completes the "closed period commitment".

If you concur, please signify your agreement by countersigning below

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 10



Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
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Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W **3S4**

Dear Mr. Moore-Gough:

The following is without prejudice to the parties' respective views regarding the intent and application of Appendix 10 of Collective Agreement 12.

The Company and the Union both had concerns regarding Trade Modernization which were discussed at length.

The Union expressed concern regarding the notion of training (or the perceived lack thereof) being provided by the Company under the terms of Appendix X, the Trades Modernization Agreement, dated September 12, 1996.

The Union pointed out that the Company was falling short of the Union's expectations regarding the quanta of training (on-the-job, in-house or class room), and also that the training was not being offered at all locations on the system. The Union also proposed that it considered Trade Modernization training to be mandatory for employees, and implemented on a "senior may, junior must" basis, at each location.

The Company, in order to address the demands of the Union, is willing to commit to the following measures, under the terms of Appendix X.

The Division Mechanical Officer and/or the Chief Mechanical Officer and the Regional Vice-president of CAW Local 100 will meet annually, but no later than March 1st, to review progress made at each location in the preceding year, and also to discuss training plans for each location for the present year.

Upon request from a Regional Vice-president of the Union, the Company will provide details of the nature of the training provided and the number of employees trained by location and classification.

The Company commits to offer training to employees from every location on the system.

In response to the Company's demand to permit more reasonable and common sense application of section 5 of Appendix X, the Union replied that the Company could achieve the resolution being sought by clarifying that section 5 consists of two distinct parts, the first paragraph (to hereafter be labeled 5 (a)) does not impose any geographic limitations or restrictions, and applies at any smaller location where there is insufficient work to justify the existence of a full-time position in one of the three trades. The second paragraph (to hereafter be labeled as 5(b)) does impose a geographic restriction or limitation, that being the yard limits of that larger location, where two or more trades are employed. Based on that representation, the Company withdrew its demand #37- first sentence.

Lastly, the Company raised its concerns that the special and distinct dispute resolution procedures for Trade Modernization had served its intended purpose and the Company believes that any new dispute related to Appendix X should be addressed through the procedures found in Rule 27 and Rule 28.

The Union responded by advising the Company that it would be to the Company's advantage to have the special provisions continue to apply in instances of changes contemplated under section 5(a).

The parties therefore agree that henceforth, the Dispute Resolution Procedures found in Appendix X will only apply to disputes that arise under proposed expansion of the application of section 5(a) to locations other than those in effect at this point in time. Any other dispute or alleged violations of Appendix X must be progressed under Rule 27.

The foregoing represents full and final settlement of Company demand #37 and Union demand #22.

If you concur with this understanding, would you please so indicate by signing below.

Yours truly,

I concur

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

APPENDIX XIII

**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

With reference to our discussions during contract negotiations in Montreal concerning Rule 51 - Contracting Out.

The Union has expressed its concern that the Company has been relying on Rule 51.1 exception (b) as justification for contracting out work at locations where the Company has created its own workforce shortages through downsizing initiatives.

With respect to the Union's concerns on Rule 51.1(b), the Company confirms that it is not its intent to rely on this exception to justify contracting out at locations where, after February 15, 1999, employment levels are reduced through Company downsizing.

The above understanding will be appended to Collective Agreement 12 and will be effective from the date of signing this letter and remain in force until December 31, 2003.

If this reflects our discussions on this matter, please signify your concurrence by countersigning below.

Yours truly,

I concur,

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 12**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

During the discussions in the negotiations to renew Collective Agreement 12, the Union raised several concerns regarding seniority. Specifically, the Union sought to remove seniority from any individual who left the bargaining unit for a supervisory or management position for more than one year. The Union was seeking such a radical change because of the perception that individuals had been returned to the ranks for brief periods of time with the sole purpose of “resetting” their seniority clocks. The Union also raised concerns that Company officers had not been assiduous in their compliance with the requirement to advise the Union of permanent and temporary promotions under Rules 23.27(a)(ii) and 23.27(b)(ii).

In order to address these concerns, the Company proposed the following:

- 1) By copy of this letter, the Company will remind all line officers of the requirement to advise the Union when employees are being set up to supervisory management or other excepted positions, both temporarily or permanently.
- 2) In order to reinforce the notion that an individual should not be released simply for the purposes of “resetting” a clock, the Company is willing, on a trial basis, for the life of the present collective agreement, to agree that should an employee be sent back from a supervisory, management, or other excepted position, and then is subsequently promoted back to a supervisory, management, or other excepted position from the bargaining

unit, within a period of 45 calendar days from the date the employee last resumed working in the bargaining unit, such time will be considered as if the employee had not returned to the bargaining unit, in the first place.

The aforementioned would be in full and final settlement of all the Union's demands regarding modifications to "supervisor's seniority".

If you concur with this understanding, would you please so indicate by signing below.

Yours truly,

I concur

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 13**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the concerns raised during the course of the current contract negotiations pertaining to the resolution of the issues of the painting of locomotives and the maintenance of the HUCK machines at Transcona Shops.

This will confirm that the parties have agreed that the jurisdiction of the painting of locomotives will be assigned to the Car Mechanics and that the maintenance of the HUCK machines will be assigned to the Heavy Duty Mechanics at that location.

If you concur with this understanding, would you please so indicate by signing below.

Yours truly,

I concur.

Richard J. Dixon
Vice-president
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 14



Human Resources

Canadian National
 Box 8100
 Montreal, Quebec, Canada
 H3C 3N4

Ressources humaines

Canadien National
 C.P. 8100
 Montréal (Québec) Canada
 H3C 3N4

March 6, 2001

Mr. John Moore-Gough
 President, Local 100
 National Automobile, Aerospace,
 Transportation and General Workers
 Union of Canada (CAW-Canada)
 3542 Walker Road
 Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This will confirm the parties' agreement to meet during the closed period to review and develop a mutually satisfactory process to implement an "overtime bank" which conceptually would permit an individual to elect to defer payment for work performed on an overtime basis. Such bank time would be taken at eight hours per day five days a week, immediately prior to said employee's pre-retirement vacation.

There would be a maximum permissible amount of "banked time", equivalent to **360** straight time hours (**240** hours at time and one-half) which could be accumulated. Each hour of double time overtime would bank as **2** hours straight time. Said accumulated banked time would be used to allow a pre-retirement departure with pay beginning up to **45** working days in advance of the normal retirement date (or prior to the commencement of pre-retirement vacation, if applicable).

The accumulated bank time would be paid at the wage rates of pay in effect at the time of the pre-retirement. Should an employee resign, or be discharged for cause, or have his/her services dispensed with, due to non-culpable reasons, any time accumulated in the bank would be paid out immediately thereafter, at the rates of pay then in effect.

Any process agreed to would be on a trial basis only.

Should either party determine that the trial proves less than satisfactory, either party may advise the other of its desire to end the trial by giving 60 (sixty) days notice in writing. Should that cancellation occur, the Company would pay out all the time accumulated in the overtime bank for that employee at the rates of pay in effect on the date the trial cancellation becomes in effect.

The parties will engage in a good faith review of alternatives and evaluate in a fair and equitable manner each other's ideas and recommendations.

If this reflects our discussions on this matter, please signify your concurrence by countersigning below.

Yours truly,

I concur,

Richard J. Dixon
Vice-President
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 15**Human Resources**

Canadian National
 Box 8100
 Montreal, Quebec, Canada
 H3C 3N4

Ressources humaines

Canadien National
 C.P. 8100
 Montréal (Québec) Canada
 H3C 3N4

March 6, 2001

Mr. John Moore-Gough
 President, Local 100
 National Automobile, Aerospace,
 Transportation and General Workers
 Union of Canada (CAW-Canada)
 3542 Walker Road
 Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This will confirm the parties' agreement to defer discussions related to performance of certain facility maintenance work to the closed period for study and possible resolution, in a mutually satisfactory manner. Notably, the focus would be on matters related to areas of split or conflicting jurisdiction, as well as an examination of the possibility of having members of your bargaining unit perform tasks which they are not presently performing, for which the Company presently relies on contractors.

The parties will engage in a good faith review of alternatives and evaluate fairly each other's ideas and recommendations.

If this reflects our discussions on this matter, please signify your concurrence by countersigning below.

Yours truly,

I concur,

Richard J. Dixon
 Vice-president
 Labour Relations and Employment Legislation

John Moore-Gough
 President, Local 100

ATTACHMENT 16**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

This has reference to the discussions held during the course of contract negotiations to renew Collective Agreement 12, regarding work performed on the Multi Level Autorack cars.

This will confirm that the parties have agreed that when Multi Level Autorack cars undergo certification as per AAR Rules, the blasting and painting of the rack and flatcar will be assigned at the discretion of the Company and when performed by existing CN forces, the existing work rules will apply.

If you concur with this understanding, would you please so indicate by signing below.

Yours truly,

I concur,

Richard J. Dixon
Vice-President
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ATTACHMENT 17



Human Resources

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. Rick Johnston
President, Council 4000
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
545 Crémazie Boulevard East, 15th Floor
Montreal, Quebec H2M 2V1

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Gentlemen:

This is with regards to the matter of the so-called "bus service" provided to certain members of your bargaining unit at MacMillan Yard in Toronto.

As you are aware, this was an extra-contractual benefit and the Union was provided with proper legal notice that permitted the Company to legally eliminate that service. However, the Union has argued that those select individuals would face undue difficulties as a result of the elimination of the service.

Therefore, in order to allow those affected employees ample opportunity to explore alternative means of transportation and make personal arrangements, the Company shall, without prejudice, continue the service until December 31, 2003. The Company reserves the right to modify the method of conveyance and/or the provider of the service at its discretion at any time. The parties will meet during the closed period to identify those employees who have grandfather rights to this mode of conveyance.

This is in full and final settlement of all the Union's claims, demands and grievances regarding the so-called bus service issue at MacMillan Yard.

If this reflects our discussions on this matter, please signify your concurrence by countersigning below.

Yours truly,

D.S. Fisher
Director, Labour Relations

I CONCUR.

Rick Johnston
President, Council 4000

I CONCUR.

John Moore-Gough
President, Local 100

ATTACHMENT 18**Human Resources**

Canadian National
Box 8100
Montreal, Quebec, Canada
H3C 3N4

Ressources humaines

Canadien National
C.P. 8100
Montréal (Québec) Canada
H3C 3N4

March 6, 2001

Mr. John Moore-Gough
President, Local 100
National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)
3542 Walker Road
Windsor, Ontario N8W 3S4

Dear Mr. Moore-Gough:

During the discussions in the negotiations to renew Collective Agreement 12, the Union raised several concerns regarding the matter of skilled trades adjustments.

The Company responded that although they could appreciate the Union's position, it felt that the issue was complex, and without dismissing the Union's concerns felt that the matter should more properly be reviewed in an amicable fashion during the closed period.

The Union reluctantly agreed but sought the surety of a final and binding mechanism should the amicable discussions and review fail to produce a mutually satisfactory arrangement.

Therefore the parties agreed to the following:

The parties will conduct a closed period study of the duties and responsibilities of the shopcraft trades to capture present skill, knowledge, experience and ability levels required to perform their day to day activities and to properly assess the impact of changes that may have resulted from modernized work practices and procedures, operational changes, modern rolling stock and associated technologies, trade modernization, increased asset utilization, rationalization of facilities and the like.

The parties could then discuss any compensation adjustments that may or may not be appropriate due to those changed circumstances, and to whom those adjustments should be made, if any.

These discussions shall commence not later than June 30, 2001, and shall be completed by November 15, 2001.

Should the Union not be satisfied with the findings, it may progress the matter for final and binding resolution to an arbitrator mutually agreed to by the parties, or failing that appointed by the Minister of Labour.

The authority of the arbitrator shall be limited to the matter of the appropriate adjustments if any that may be appropriate given the changed circumstances and operational practices. He/She shall be guided by historical relativity regarding the maintenance of equality amongst the shopcraft trades persons, as well as the maintenance of the existing relative compensation intra bargaining unit and inter bargaining units at Canadian National that flowed from the arbitration award of the Honourable Emmett Hall.

The award of the arbitrator, shall be binding on the parties, and compensation adjustments, if any are found to be appropriate, will be effective January 1, 2002.

If you concur, please signify your agreement by countersigning below.

Yours truly,

I concur,

Richard J. Dixon
Vice-President
Labour Relations and Employment Legislation

John Moore-Gough
President, Local 100

ST