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DATE	2001 01 31
No OF EMPLOYEES	250
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This **AGREEMENT** made and entered into this 17th day of September, 1998.

BETWEEN  
**ALGOMA CENTRAL RAILWAY INC.**  
 (hereinafter referred to as the "Employee")  
 of the **FIRST PART**

--and--

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

--and--

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

--and--

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

--and--

NATIONAL AUTOMOBILE AND AGRICULTURAL IMPLEMENT WORKERS UNION OF CANADA (CAW CANADA)

--and--

TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION SYSTEM BOARD

--and--

UNITED TRANSPORTATION UNION  
 (hereinafter referred to as the "Unions")

of the **SECOND PART**

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This **AGREEMENT** made and entered into this 17th  
day of September, 1998

*BETWEEN*

**ALGOMA CENTRAL RAILWAY INC.**

*(hereinafter referred to as the "Employer")*

*of the FIRST PART*

*--and--*

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

*--and--*

BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES

*--and--*

INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS

*--and--*

NATIONAL AUTOMOBILE AND AGRICULTURAL  
IMPLEMENT WORKERS  
UNION OF CANADA (CAW CANADA)

*--and--*

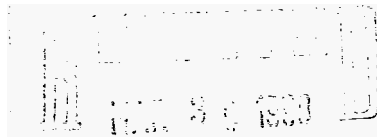
TRANSPORTATION COMMUNICATIONS  
INTERNATIONAL UNION  
SYSTEM BOARD

*--and--*

UNITED TRANSPORTATION UNION

*(hereinafter referred to as the "Unions")*

*of the SECOND PART*





**MEMORANDUM OF UNDERSTANDING**

BETWEEN

ALGOMA CENTRAL RAILWAY INCORPORATED

AND THE

ASSOCIATED RAIL UNIONS

**CONCERNING THE IMPLEMENTATION OF  
THE ALGOMA CENTRAL RAILWAY AGREEMENT**

The following timetable is agreed for implementation of the recently ratified agreement between the six unions and the Algoma Central Railway Inc.

16 July	1998	All other changes to conditions and benefits will come into effect from the 16 <sup>th</sup> of July 1998 and paid on the appropriate payday
31 July	1998	All rates from the 16 <sup>th</sup> of July 1998 will be adjusted on this payday and will include the 3% increase
14 August	1998	Separate payment will be made for the 3% increase for salary and overtime payments from 1 February 1998 through 15 July 1998
16 October	1998	Will be the commencement date for the amount of the quarterly lodgment of contributions to the Company Retirement Savings Plan. The first amount will be for the first three quarters of the year with subsequent payments being made by the 16 <sup>th</sup> of the month following the end of each quarter
16 July	1998	Will be the effective date of the commencement of the Agreement


This memorandum of Understanding is signed


at Rosemont, Illinois,  
on the 13<sup>th</sup> day of July 1998

and at Ottawa, Canada  
on the 21<sup>st</sup> day of July 1998

Algoma Central Railway Inc.

Associated Rail Unions

  
 \_\_\_\_\_  
 Vice President, Human Resources

  
 \_\_\_\_\_  
 Chairman

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## ARTICLE 1

### PURPOSE

- 1.01 The purpose of this Agreement is to provide orderly collective bargaining relations between the Employer and its employees covered by this Agreement through the Unions signatory hereto, to secure prompt and fair disposition of grievances, to secure the efficient operation of the Employer's business without interruption or interference with work and to provide fair salaries, hours and working conditions for the employees. It is recognized by this Agreement to be the duty of the Employer, the Unions and the employees to Co-operate fully, individually and collectively for the advancement of the said conditions.
- 1.02 The parties recognize and acknowledge the importance of the Company's main resource, its skilled staff. The Company therefore supports the personal and professional development of its people. All parties believe that a successful employment relationship is based on goodwill and mutual respect and are committed to work towards that end.
- 1.03 In this Agreement words importing the singular shall include the plural and vice versa where the context requires. Words importing the masculine gender shall include the feminine where the context requires.

**ARTICLE 2**

**RECOGNITION**

2.01 The employer recognizes each of the following Unions as the respective bargaining agent for those employees in the classifications designated:

1. Transportation

- BLE -- Engineer A
- BLE -- Engineer B
- UTU -- Conductor A
- UTU -- Conductor B
- TCIU-- Rail Traffic Controller
- UTU -- Baggage Handler

2. Mechanical

- IAM -- Motive Power Mechanic-- Lead
- IAM -- Motive Power Mechanic
- IAM -- Motive Power Mechanic  
Apprentice
- CAW-- Car Mechanic-- Lead
- CAW-- Car Mechanic
- CAW-- Car Mechanic Apprentice

3. Engineering

- IAM -- Machine Operator/Mechanic A
- IAM -- Machine Operator/Mechanic  
Apprentice
- BMWE-- Machine Operator A, B, C, D
- BMWE-- Production Gang Foreman
- BMWE-- Track Foreman
- BMWE-- Track Labourer
- BMWE-- B&B Foreman
- BMWE-- B&B Tradesman
- TCIU-- Technician A  
(Communications & Signal)

TCIU-- Technician B  
(Communications & Signal)

4. Clerical

TCIU- Materials Handler

TCIU- Customer Service  
Representative

TCIU- Passenger Sales  
Representative

TCIU- General Clerk

5. Canyon Park

BMWE - Park Technicians

2.02 The Company shall maintain the following seniority lists:

- (i) Locomotive Engineers (BLE)
- (ii) Conductors (UTU)
- (iii) Motive Power Mechanics (IAM)
- (iv) Car Mechanics (CAW)
- (v) Machine Operators/Mechanics (IAM)
- (vi) Track Employees (BMWE)
- (vii) Bridge & Building Employees (BMWE)
- (viii) Seasonal Track Employees (BMWE)
- (ix) Communication & Signal Employees (TCIU)
- (x) Clerical Employees (TCIU)
- (xi) Rail Traffic Controllers (TCIU)
- (xii) Machine Operators A, B, C, D (BMWE)

**ARTICLE 3**

**MANAGEMENT RIGHTS**

3.01 The Unions recognize and acknowledge that the management of the Railway and direction of the working forces are fixed exclusively on



the Employer unless limited herein, or by mutual agreement reached through the consultation process.

#### ARTICLE 4

##### DEDUCTION OF DUES

4.01 The Employer shall deduct on the payroll for the pay period which contains the 10th day of each month from wages due and payable to each employee coming within the scope of this Agreement an amount equivalent to the uniform monthly dues of the appropriate Organization subject to the conditions and exceptions set forth hereunder.

4.02 (a) The amount to be deducted shall be equivalent to the uniform regular dues payment of:

Brotherhood of Locomotive Engineers;  
Brotherhood of Maintenance of Way Employees;

International Association of Machinists and Aerospace Workers:

National Automobile and Agricultural Implement Workers Union of Canada (CAW Canada);

Transportation Communications International Union

United Transportation Union

signatory to this agreement covering the classification in which the employee concerned is engaged and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed

during the term of the application agreement excepting to conform with a change in the amount of regular dues of the above-mentioned organizations in accordance with their respective constitutional provisions. The provisions of this Article shall be applicable to each individual Organization on receipt by the Railway concerned of notice in writing from such Organization of the amount of regular monthly dues.

(b) 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 individual Railway and of the Organization concerned shall be excepted from dues deduction.

105 (c) Membership in any of the Organizations signatory hereto shall be available to any employee eligible under the constitution of the applicable Organization on payment of the initiation or re-instatement fees uniformly required of all other such applicants by the local lodge or division concerned. Membership shall not be denied for reasons of race, national origin, colour or religion.

(d) Deductions from new employees shall commence on the payroll for the first pay period which contains the 10th day of the month.

(e) The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Employer to the office of the appropriate Union not later than forty

(40) calendar days following the pay period in which deductions are made.

- (9) The Railway shall not be responsible, financially or otherwise, either to the Organization or to any employee, for any failure to make 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 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 Organization, the Railway shall adjust the amount in a subsequent remittance. The Railway's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the designated Officer or Officers of the Organization.
- (g) In the event of any action at law against the parties hereto or any of them resulting from any deduction or deductions from payrolls made or to be made by the Railways pursuant to the first paragraph of this Article, all parties shall Co-operate fully in the defence of such action. Each party shall bear its own cost of such defence except that if, at the request of the Organizations of any of them counsel fees are incurred, these shall be borne by the Organization or Organizations so requesting. Save as aforesaid, the Organizations, jointly or severally shall indemnify and save harmless the Railways and each of them

- from any losses, damages, costs liability of expenses suffered or sustained by them or any of them as a result of any such deduction or deductions from payrolls.
- (h) 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.
- (i) If the wages of an employee payable on the payroll which contains the 10th 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 Railways in such month. The Railway shall not, because the employees did not have sufficient wages payable to them on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.

#### **ARTICLE 5**

#### **NO STRIKES OR LOCK--OUTS**

- 5.01 In view of the orderly procedure established by this Agreement for the settling of disputes and the handling of grievances, the Unions agree that, during the lifetime of this Agreement, there will be no strike, slowdown or stoppage of or interference with work or production, either complete or partial, and the Employer agrees that there will be no lock--out of employees.

## **ARTICLE 6**

### **NO DISCRIMINATION**

- 6.01 There shall be no discrimination, intimidation or coercion by the Employer or the Unions or an employee against any employee by reason of age, race, creed, colour, sex, national origin, union activity, disability, sexual orientation or marital status.

## **ARTICLE 7**

### **SENIORITY**

- 7.01 Service shall mean an employee's length of continuous service with the Employer. An employee shall maintain and accumulate seniority while he is in the employ of the Employer after he has completed his probationary period, as set out in Article 7.02. Unless otherwise expressed, seniority shall be applied in accordance with Article 2.02.
- 7.02 A newly hired employee shall serve a probationary period of sixty-five (65) working days and shall have no seniority rights during this period. Upon completion of the probationary period, a new employee shall have his seniority dated back to his original date of hire by the Employer. Probationary employees may be disciplined or discharged by the Employer in its sole discretion, with or without cause.  
Note: Employees of the Algoma Central Railway hired by the Employer shall not be subject to a probationary period.
- 7.03 In determining seniority under this Agreement, the Employer agrees to recognize the length of continuous service

with the Algoma Central Railway of any employee it hires. The Employer shall recognize such seniority on the basis of filling positions in the various classifications based on the predominant duties of the position it is filling, hiring such employees from the classifications where such predominant duties and skills had existed on the ACR.

- 7.04 (a) In cases of promotion the following factors shall be considered:
- (i) requirements and efficiency of operations, the knowledge, training, skill and ability of the individual to perform the normal required work;
  - 10f2 (ii) seniority;
  - (iii) the predominant duties of the positions to be abolished, established or re-established.

Where qualifications in factor (i) are relatively equal, the factor (ii) shall govern. Probationary employees shall be the first to be laid off provided that employees with the necessary skill, ability and qualifications are available to perform the normal required work.

- 10c (b) In cases of layoff junior employees will be displaced first.
- (c) In cases of recall, the senior laid off employee within the bargaining unit will be offered the position provided he is qualified or, requires only a familiarization period to be qualified.

7.05 Seniority, once established for an employee, shall be forfeited under the following

conditions and his employment shall be terminated:

- (i) if he voluntarily quits;
- (ii) if he is discharged and not reinstated through the Grievance Procedure;
- (iii) if he fails to report for duty after a lay-off in accordance with the provisions of this Agreement, unless he provides an explanation satisfactory to the Employer, or
- 10e1 (iv) if forty-eight (48) months have elapsed from the day of lay-off.

7.06 Employees shall, unless otherwise provided herein or by agreement between the Employer and the union, hold and accumulate seniority in the individual classification in which they were hired. Where employees take positions or promotions in other classifications with the Employer they shall accumulate seniority in the classifications in which they have been hired, transferred, or promoted to, for the time actually served in that bargaining unit.

7.07 The Employer shall, once a year, on March 1, publish seniority rosters of the respective classifications. Employees or their representatives must handle any exceptions to such roster(s) through the grievance procedure provided herein.

7.08 Notwithstanding anything contained in this Agreement, nothing shall preclude or limit the type of work which an employee may be required to perform. An employee shall be

classified according to the predominant duties he performs.

- 7.09 Former employees of the ACR not hired by the Employer at the time it commences operation of the Railway will have the first opportunity for vacancies at the Employer which may become available and for which they are qualified, for a period of four (4) years from the date of severance by ACR.
- 7.10 In the case of two employees hired on the same day, preference will be given to the employee with the greatest previous experience with the Employer. In the case of two new hires, the employee whose application is received first shall be given preference.
- 7.11 The Employer shall recall employees by registered mail to the last known address of the employee. It shall be the responsibility of the employee to keep the Employer advised in writing of his address. The employee shall indicate to the Employer within seven (7) days of such notice of recall his intention to return to work and shall present himself for work within seven (7) days of giving notice of intention to return.
- 7.12 The Employer shall give employees a minimum of four (4) working days notice of lay-off.



## **ARTICLE 8**

### **POSTING**

- 8.01 When the Employer determines that a job vacancy in the bargaining unit exists, the Employer will post a notice of the vacancy for a period of five (5) working days on bulletin boards designed for this purpose and/or voice mail box designed for this purpose. The notice will specify the nature of the job, qualifications required and the position's salary range. An employee who wishes to be considered for the position so posted shall signify his desire by making formal application to supervisor specified on the notice within the five day posting on a form supplied by the Employer. However, a temporary vacancy of less than forty-five (45) work days or less shall be filled by Employer in consultation with the Union.
- 8.02 Employees in the service, if qualified, will be given preference for promotion to position as supervisor when vacancies occur.
- 8.03 Employees may lodge with Human Resources applications for transfer to other positions. This application will remain valid for six months.

## **ARTICLE 9**

### **INVESTIGATION & CORRECTIVE ACTION**

- 9.01 (a) An employee shall not be disciplined or dismissed without his having first had a fair and impartial investigation and his

responsibility having been established. An employee may, however, be held off for such investigation for a period not exceeding five (5) days and when so held off shall be notified in writing of the charges against him. The employee shall be given forty--eight **(48)** hours notice of such investigation. Included in such notice will be a list of those required to attend and a list of material and witnesses available to be brought forth at that time.

- (b) An employee shall be assisted at the investigation by one duly accredited representative, unless the employee directs otherwise in writing.
- (c) All material and necessary witnesses must be notified to appear. An employee shall have the right to be present during the examination of any witnesses whose evidence may have a bearing on his responsibility or be accorded the right to read the evidence, if any, of such witness at the outset of the investigative hearing and offer rebuttal thereto.
- (d) The employee and the Union shall be given a copy of tapes and/or transcripts of evidence taken at the investigation.
- (e) A decision shall be rendered within twenty--one (21) calendar days following the date of completion of the investigation, unless otherwise mutually agreed.
- (f) If the employee considers the decision rendered is unjust, an appeal may be made, commencing with Step 2 of the grievance and arbitration procedure.

(g) If the final decision decrees that charges against an employee were not sustained, the record shall be cleared of the charges; if suspended or dismissed, the employee shall be returned to former position and paid for all time lost at the basic rate of pay.

9.02 Nothing contained herein shall be construed to prevent the employee from voluntarily participating in an informal process which may be established by the Employer and amended from time to time to handle grievances or matters which would otherwise be subject to disciplinary hearings, provided that the employee shall not be in any way pecuniarily affected or be given time off without pay, or discharged, unless he voluntarily would consent to same. The employee may, if he so desires, have a union representative or other employee of his choice present with him in the handling of such matters with officers of the Employer.

#### **GRIEVANCE PROCEDURE**

9.03 Should an employee believe he has been unjustly dealt with, or that any of the provisions of this agreement (including one involving a time claim) have not been complied with, the employee or local chairman shall, within fourteen (14) days of the cause, approach the appropriate local manager with the concern. The local manager shall give a decision within seven (7) days of notification. If not resolved at this level the grievance shall be progressed as follows:

**Step 1**

***Presentation to Department Head (Division Manager, Superintendent or Chief Engineer)***

Within twenty-eight (28) days of declination, the employee and/or the local General Chairman shall present the grievance, in writing, to the appropriate company officer requesting a meeting to discuss the matter. A meeting will be held within fourteen (14) calendar days of receipt of the request and decision rendered as soon as possible but in any case within fourteen (14) days of the date of the meeting.

**Step 2**

***Appeal to Vice President***

Within twenty--eight (28) calendar days of receiving the decision under Step 1, the Local or General Chairman may appeal the decision in writing to the Vice President, whose decision will be rendered in writing within twenty--eight (28) days of receiving the appeal.

**Step 3**

***Appeal to President and/or Nominee***

Within twenty--eight (28) calendar days of receiving the decision under Step 2, the Local or General Chairman may appeal the decision in writing to the President, whose decision will be rendered in writing within twenty--eight (28) days of receiving the appeal.

- 9.04 (a) The settlement of a grievance shall not under any circumstances, involve retroactive pay beyond a period of sixty (60) calendar days prior to the date that

such grievance was submitted at Step 1 of the Grievance Procedure.

- (b) Any grievance not progressed by the Union within the prescribed time limits shall be considered dropped. Where a decision is not rendered by the appropriate officer of the Employer within the prescribed time limits, the grievance may be progressed to the next step in the grievance procedure.
- (c) In the application of this rule, a grievance based on a claim for unpaid wages if not progressed by the Union within the prescribed time limits, it shall be considered dropped. When the appropriate Officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. Payment of time claims in such circumstances will not constitute a precedent or waiver of the contentions of the Union or of the Company in this case or in respect of other similar claims.

#### ***Final Settlement of Disputes***

- 9.05 (a) A grievance or a number of grievances, by mutual consent, concerning the interpretation or alleged violation of this Agreement or appeal against discipline imposed, which has been processed in the manner and through each of the steps outlined in the Grievance Procedure and still has not been settled or disposed of may be referred by either of the signatories to this Agreement to one of the following arbitrators in rotation

- • ' for final and binding settlement without work stoppage:

H.D. Brown  
W. Rayner  
E.E. Palmer

A request for arbitration shall be made within sixty (60) calendar days from the date decision is rendered in writing by the President.

- (b) The time limits as provided in this Article may be extended by mutual agreement.

9.06 Costs of the arbitrator will be shared on an equal basis between the Union and the Employer.

### **ARTICLE 10**

#### **TRANSPORTATION**

10.01 Transportation on the Company's passenger trains shall be provided in accordance with the existing policies of Algoma Central Railway Inc. Any changes to that policy will be made only after consultation with the signatory unions.

10.02 Company will provide transportation on existing passenger trains for authorized Union representatives who are required to perform Union business for employees they represent.

## ARTICLE 11

### LEAVE OF ABSENCE

12h3 11.01 When the requirements of the service will permit, employees, on request, will be granted a personal leave of absence for a limited time with privilege of renewal.

11.02 Leave of absence under this rule shall not be granted for the purpose of engaging in work outside the Company except in cases involving sickness or other exceptional circumstances, when made the subject of mutual agreement between the proper officers of the Company and the General Chairman.

11.03 Any employee engaging in other employment while on leave, except with the consent of management and the union, shall be considered terminated.

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11.04 The Company will not discriminate against any employees, who as authorized union representatives represent other employees and will grant them unpaid leave of absence and free transportation over the Company's lines when required to perform Union business.

## ARTICLE 12

### JURY DUTY

12.01 An employee who is summoned for jury duty and is required to lose time from his assignment as a result thereof, shall be paid

for the actual time lost with a maximum of one day's pay for each day lost, less the amount allowed him for jury duty for each such day excluding allowances paid by the court for meals, lodging or transportation, subject to the following requirements and limitations:

- (a) An employee must furnish the Employer with a statement from the court of jury allowances paid and the days on which jury duty was performed.
- (b) The number of working days for which jury duty pay shall be paid is limited to a maximum of sixty (60) days in any calendar year.
- (c) No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee who has been allotted his vacation dates will not be required to change his vacation because he is called for jury duty, however, an employee's vacation will be re-scheduled at a time mutually agreed between the proper officer of the Employer and the employee and Local Chairman, if it falls during jury duty and the employee requests a change, in writing, prior to commencing scheduled vacation.

12.02 When attending Court as witness for the Railway, or a Coroner's Inquest in cases where the Company is involved, or subpoenaed by the Crown in cases where the Company is involved, employees will receive pay for all time lost. The Company will be entitled to a certificate for witness fees in all cases.



## ARTICLE 13

### BEREAVEMENT LEAVE

13.01 Upon the death of an employee's spouse, child, grandchild, parent, grandparent, brother, sister, step--parent, father--in--law or mother--in--law, step--brother or step--sister, the employee shall be entitled to three days' bereavement leave without loss of pay provided the employee has completed probation. It is the intent of this Article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted.

12d3  
NS

13.02 For the purposes of this Article 13.01, eligible spouse is defined as follows:-- the person who is legally married to the employee, provided that if there is no legally married spouse that is eligible it means the person that qualified 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 employee.

13.03 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.

ARTICLE 14

ANNUAL VACATION

14.01 The vacation year shall be from January 1, through December 31.

14.02 In determining vacation entitlement, the Employer will count an employee's length of service, if any, with the Algoma Central Railway

14.03 An employee who on the 31st day of December in each year has:

(a) less than twelve (12) months continuous service with the Employer shall receive one-half day for each completed month of service, up to a maximum of five (5) days with pay at his regular rate;

$\frac{12-10}{1}$

(b) one (1) year or more continuous service but less than five (5) years of continuous service with the Employer shall receive two (2) weeks' vacation per year with pay at his regular rate;

$\frac{12-3}{5}$

(c) five (5) years or more continuous service but less than fourteen (14) years of continuous service with the Employer shall receive three (3) weeks' vacation per year with pay at his regular rate;

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(d) fourteen (14) years or more continuous service but less than twenty-three (23) years of continuous service with the Employer shall receive four (4) weeks' vacation per year with pay at his regular rate;

$\frac{12-5}{23}$

(e) Twenty-three (23) years or more of continuous service with the Employer

shall receive five (5) weeks' vacation per year with pay at his regular rate;

Note: Any ACR employees hired by the Employer whose vacation entitlement at the time of hire by the Employer is in excess of the above, shall continue to receive their vacation benefit existing at their time of hire.

- 14.04** An employee becoming eligible for a second, third, fourth or fifth week of vacation in accordance with Article **14.03** is entitled to the additional week of vacation in the year in which the employee qualifies for the additional week.
- 14.05** Employees shall qualify for vacation based on their previous service. Vacation is earned in the year it is taken and may not be carried over to the following year.
- 14.06** Upon termination of an employee, any unused vacation will be paid. Unearned vacation already taken will be reimbursed to the Company from any monies held back by the Company.
- 14.07** For purposes of qualifying for the various levels of vacation referred to in Article **14.03**, periods of lay--off will not be deducted from continuous service. For purposes of vacation pay, time lost due to leave of absence or lay--off shall not be included. Vacation pay and eligibility will be pro--rated on the basis of days worked as a percentage of total days of work for the year.

16.02 Employees called in from home to work overtime which is not in conjunction with their shift, will be provided with at least three (3) hours of work. Where practicable, the senior employee at the location will be offered the overtime subject to the Employer's undertaking to endeavour to distribute overtime equitably. Any other overtime policy may be arranged by mutual agreement.

16.03 Any hours worked in excess of sixteen (16) in a twenty-four (24) hour period shall be paid at the rate of double time.

**ARTICLE 17**

**HEALTH & WELFARE**

17.01 The Employer shall pay 100% of the premium cost of the following benefits, for all employees who have completed their probationary period, during the term of this Agreement:

***Extended Health Care***

The Company will obtain a plan with coverage similar to a Green Shield plan. The plan shall have a ten (\$10.00) dollar single and twenty-five (\$25.00) dollar family deductible. The plan shall reimburse employees for 100% of the costs of those drugs covered by the plan which are purchased by the employee.

***Life Insurance***

The Company will provide life insurance in the amount of \$27,000.00, subject to being

## ARTICLE 15

### HOLIDAYS

15.01 An employee who qualifies for a holiday with pay under the *Canada Labour Code* (except the requirement to work the full shift before and after) shall be entitled to the following holidays without loss of pay:

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New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Civic Holiday	Boxing Day

15.02 An employee who is required to work on one of the above holidays, shall receive additional pay at time and one half his regular rate of pay.

15.03 Where a paid holiday falls on an employee's day off or during his vacation, it shall be scheduled at a time mutually agreeable to the employee and his Manager, or shall be paid.

## ARTICLE 16

### OVERTIME

16.01 Overtime assigned by the Employer will be paid in accordance with the *Canada Labour Code* and permits issued under that legislation. Employees will be given the option of taking compensatory time off in lieu of receiving overtime pay in accordance with Article 25.01.

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- • 'increased to reflect changes in the Revenue Canada limit without being taxed.

### **Allowance for Medical Leave**

130%  
100%

Eighty (80%) percent of current rate of pay offset by any other benefits to which the employee is entitled for up to twenty--six (26) weeks in any one benefit year. Benefit commences on fourth day of absence unless absence due to accident or hospitalization in which case benefit commences on first day of absence. Temporary and temporary part-time employees are not entitled.

### **Long Term Disability Insurance**

If an employee is disabled by non--work related illness or injury, Long Term Disability will be provided after initial 180 days on medical leave, on the following basis:

1  
130%  
100%

- (i) 50% of monthly salary (maximum \$5,000.00 month) offset by income from certain other sources (railroad retirement, social security benefits, etc.)
- (ii) subject to approval by LTD carrier
- (iii) this benefit shall be provided in accordance with the terms and conditions of the relevant policy, a copy of which will be made available to the Unions

### **Vision Care Plan**

130%  
100%

The Company will provide a vision care plan for employees and their dependents 18 years of age and older on the basis up to \$200.00 every twenty--four (24) months. For dependents under 18 years of age the basis will be up to \$200 every 12 months.

**Hearing Care Plan**

13a9  
10  
100%

This plan is payable at 100% after deductible. Hearing aids must be prescribed in writing by a otolaryngologist. The maximum amount payable in any 5 consecutive benefit years is \$500 for each person.

**Dental Benefit Plan**

13a5  
100%

Eligibility: First day employed  
Deductible: \$50 per covered person  
\$100 per family  
Preventive: 100%  
(Not subject to deductible)  
Basic: 100% after deductible  
Major Restorative: 50% after deductible

**Orthodontia**

Eligibility: No age restriction  
50% payment  
lifetime maximum  
(Not subject to deductible)  
\$1,500 lifetime  
orthodontia benefit

17.02 The following benefits will be available to employees on a voluntary basis with 100% of the premium costs of the benefits to be paid by the employee:

**Voluntary Life Insurance**

Life Insurance through payroll deduction in the amount of one or two times annual base salary. (Subject to insurance company medical approval).

- • Family life insurance may be purchased through payroll deduction which provides for \$10,000.00 for spouse and \$5,000.00 for each eligible dependent. (Not subject to medical approval if enrolled within thirty--one days of eligibility.)

***Voluntary Accidental Death & Dismemberment***

Employee may purchase additional AD&D through payroll deduction. This is available for employee only as well as employee and family with a maximum amount of \$300,000.

***Retirement Savings Plan***

13a10  
10%  
The Employer will contribute an amount equal to ten (10%) percent of the employee's regular straight time annual earnings and employees will contribute by payroll deduction five (5%) percent of such earnings to a retirement savings plan to be mutually agreed upon by the Employer and the Unions. If an employee withdraws any portion of the amount standing to his credit in such plan, the Employer will be under no further obligation to contribute to the plan on behalf of such employee.

**ARTICLE 18**

**EXPENSE REIMBURSEMENT**

- 18.01 Employees required to terminate their tour of duty away from their home terminal or headquarters point will be paid a meal allowance of \$27.00 per day for every twenty-four (24) hour period such employees are away from their home terminal or



headquarters point unless meals are furnished by the Employer. For each meal so furnished, an amount equal to \$9.00 shall be deducted from the \$27.00 per diem allowance above. The Employer will also arrange accommodation at its expense.

- 18.02 Engineering department employees required to complete their daily tour of duty away from their headquarters point will be provided with bunkhouse lodging or suitable accommodation.
- 18.03 Employees required to use their own automobile by the Employer will be reimbursed at the rate of thirty-three cents (\$.33) per kilometre

### **ARTICLE 19**

#### **PAY DAY**

- 19.01 Employees shall be paid on the 16th day of each month for the first half of each month and on the 1st day of the following month for the second half of each month. If a regular pay day falls on a Saturday, Sunday or holiday, pay cheques will be available on the previous day that is not a Saturday, Sunday, or holiday.
- 19.02 When an employee is short paid more than a half a day's pay a special payment will be made to cover the shortage within one (1) working day of an employee's request for payment or as soon thereafter as possible.

19.03 Employees leaving the service of the Company will be furnished with a cheque covering all time due within seventy-two (72) hours or as soon thereafter as possible. The time specified shall be exclusive of Saturdays, Sundays and holidays.

19.04 All overtime earned shall be shown as a separate item on the pay cheques of employees.

#### **ARTICLE 20**

#### **MONTHLY SALARIES**

20.01 Monthly salaries shall be in accordance with Schedule "A" attached hereto and forming part of this Agreement.

#### **ARTICLE 21**

#### **PRINTING OF AGREEMENT**

21.01 The Company will undertake the responsibility for the printing of the Collective Agreement as may be required from time to time and will absorb the cost of such printing. This will include the cost of printing updated pages.

#### **ARTICLE 22**

#### **NOTICE BOARDS**

22.01 Notice Boards will be provided for posting of notices by the Unions.



## **ARTICLE 23**

### **INJURED ON DUTY**

- 23.01 Employees injured while at work will not be required to make accident reports before they are given medical attention, if required, but will make them as soon as practicable thereafter. Proper medical attention will be given at the earliest possible moment.
- 23.02 An employee prevented from completing a shift due to a bona fide injury sustained while on duty will be paid for that full shift at straight time rates of pay, unless the employee receives Workers' Compensation benefits for the day of the injury in which case the employee will be paid the difference between such compensation and payment for their full shift.

## **ARTICLE 24**

### **TERM OF AGREEMENT**

- 24.01 This Agreement shall be for a term of three (3) years commencing on February 1, 1998 and ending January 31, 2001 and shall be continued from year to year thereafter unless either party gives notice in writing to the other within ninety (90) days prior to the expiry date hereof of that party's intention to terminate this Agreement or negotiate revisions hereto.
- 24.02 The provisions of 24.01 shall not preclude the parties to this agreement from making any changes to the agreement during the terms hereof that are mutually acceptable.

**ARTICLE 25**

**SCHEDULE "A"**

**JOB CLASSIFICATIONS & MONTHLY SALARIES**

25.01 All employees covered by this Agreement will be paid a monthly salary in accordance with Article 25.02. Unless otherwise specified in the job description, salary levels, assume an average five (5) day, forty (40) hour work week, which shall, unless otherwise posted in an individual job bulletin, commence on Monday of each week. Employees who work more than said number of hours in each work week may, at their discretion, either:

8a  
40 hrs

(a) be provided "Comp" time (time *off* with pay) the equivalent of the actual hours they worked in excess of such standard hours, or,

8a

(b) be paid overtime at the rate of time and one-half for the equivalent of the actual hours they worked in excess of such standard hours.

25.02 Employees who absent themselves from their assignments for any reasons during any work week shall have their monthly salaries adjusted in the next practical pay period by the actual number of hours below the standard hours in any work week that they may be so absent.

25.03 Transportation department employees, as well as other positions which may so state in the bulletin, may not work five (5) continuous days during a work week. However, where

possible and wherever the requirements of service permit, assignments shall in all departments be bulletined to work consecutive days, and to provide a minimum of two (2) consecutive rest days in a work week, with a presumption of Saturday and Sunday as preferred rest days if the requirements of service permit. However the parties recognize that:

1. Extra board Transportation Department employees who are also considered salaried employees, will be required to remain on the extra board and available for service for a period of five (5) consecutive days worked and then allowed two (2) consecutive days of rest.

To ensure proper rest periods are maintained, discussions between the Unions and the local management shall take place in an effort to establish schedules where alternate rest days may be implemented, on a mutually agreed to basis. The principle of having at least two consecutive rest days shall be retained.

2. Train and engine and service schedules may in many cases require positions in all crafts to be bulletined to work weekends with scheduled days off during the middle of the week.
3. Production work in some of the trades (for example, summertime track work, or, given projects in the car or locomotive shop areas), may ~~require~~ the establishment of a ten (10) hour per day, four (4) day work week or some other work schedule, as developed through

862  
3

the consultative process.

- 25.04 Former employees of the ACR hired by the Employer shall be hired at the base rate of pay so long as they had previous seniority on the ACR in the classification in which the Employer has designated as a position with the predominant duties requiring the skills of the former ACR craft.

Employees will be placed at their proper salary by the Employer in accordance with their skills, their previous craft seniority on the ACR and the predominant duties of the new position, and, their knowledge and demonstrated performance. In placing the employees in the salary ranges, the Employer will consider the employee's experience, if any, on the Algoma Central Railway.

- 25.05 The monthly salaries for classifications covered by this Agreement are as follows:

	1998		1999		2000	
	ENTRY	BASE	ENTRY	BASE	ENTRY	BASE
<b>TRANSPORTATION</b>						
Engineer A - Assignments Normally Work 10-12 Hours/Day	\$4,601	\$5,357	\$4,716	\$5,491	\$4,834	\$5,628
Engineer B - Assignments Normally Work 8-10 Hours/Day	\$3,462	\$4,815	\$3,549	\$4,935	\$3,638	\$5,058
Conductor A - Assignments Normally Work 10-12 Hours/Day	\$3,271	\$4,659	\$3,353	\$4,775	\$3,437	\$4,894
Conductor B - Assignments Normally Work 8-10 Hours/Day	\$2,857	\$3,969	\$2,928	\$4,068	\$3,001	\$4,170
Baggage Handler	\$3,333		\$3,416		\$3,501	

1998		1999		2000	
ENTRY	BASE	ENTRY	BASE	ENTRY	BASE

**HEARSTTRAIN (#1 -- #2)**

**Summer Rates**

Engineer A	\$5,573	\$5,712	\$5,855
Assistant Engineer	\$5,357	\$5,491	\$5,628
Conductor A	\$4,847	\$4,968	\$5,092

**Winter Rates**

Engineer A	\$4,383	\$4,493	\$4,605
Assistant Engineer	\$4,166	\$4,270	\$4,377
Conductor A	\$3,811	\$3,906	\$4,004

**CANYON TRAIN (#3 -- #4)**

**(4 & 4)**

Engineer	\$5,032	\$5,158	\$5,287
Assistant Engineer	\$4,815	\$4,935	\$5,058

**(6 & 3)**

Engineer	\$5,302	\$5,435	\$5,571			
Assistant Engineer	\$5,086	\$5,213	\$5,343			
Rail Traffic Controller	\$3,679	\$4,599	\$3,771	\$4,714	\$3,865	\$4,832

Train and Engine employees' salaries assume an average five (5) day work week at the daily average hours shown. To the extent possible, extra board personnel are scheduled in advance with work schedules of at least one week at a time. They are also salaried employees at these rates.

	1998		1999		2000	
	ENTRY	BASE	ENTRY	BASE	ENTRY	BASE
<b>MECHANICAL</b>						
Mechanic Lead		\$3,717		\$3,810		\$3,905
Mechanic		\$3,525		\$3,613		\$3,703
Apprentice Mechanic		\$2,400		\$2,460		\$2,522
						<i>25¢</i>
<b>ENGINEERING</b>						
Production Foreman	\$3,425	\$3,969	\$3,511	\$4,068	\$3,599	\$4,170
Foreman A						
B&B Foreman						
Welder Track	\$3,162	\$3,717	\$3,241	\$3,810	\$3,322	\$3,905
Roadway Equipment Mechanic	\$3,083	\$3,623	\$3,160	\$3,714	\$3,239	\$3,807
Foreman B						
Machine Operator A	\$3,000	\$3,525	\$3,075	\$3,613	\$3,152	3,703
Machine Operator B	\$2,843	\$3,344	\$2,914	\$3,428	\$2,987	\$3,514
Machine Operator C						
Assistant Foreman	\$2,698	\$3,169	\$2,765	\$3,248	\$2,834	\$3,329



1998		1999		2000	
ENTRY	BASE	ENTRY	BASE	ENTRY	BASE

1998		1999		2000	
ENTRY	BASE	ENTRY	BASE	ENTRY	BASE

Machine Operator D					
Welder Helper					
B & B Carpenter					
\$2,547	\$2,995	\$2,611	\$3,070	\$2,676	\$3,147
Track Labourer					
\$2,258	\$2,658	\$2,314	\$2,724	\$2,372	\$2,792
Technician A (C & S)					
\$3,974	\$4,671	\$4,073	\$4,788	\$4,175	\$4,908
Technician B (C & S)					
\$2,547	\$2,995	\$2,611	\$3,070	\$2,676	\$3,147

**CANYONPARK**

Park Technician					
\$2,225		\$2,281		\$2,338	

**CLERICAL**

Materials Handler					
\$2,662	\$3,132	\$2,729	\$3,210	\$2,797	\$3,290
Customer Service Rep					
\$2,662	\$3,132	\$2,729	\$3,210	\$2,797	\$3,290
General Clerk					
\$2,662	\$3,132	\$2,729	\$3,210	\$2,797	\$3,290
Passenger Sales Rep					
\$2,662	\$3,132	\$2,729	\$3,210	\$2,797	\$3,290

**ARTICLE 26**

**CONTRACTING OUT**

26.01 As a principle the Company prefers to maintain its work "in house". The basic determining factor will be that if work can be done in house at a cost the same or better than contracting it out, it will almost inevitably remain in house.

- Where work is currently contracted out, or where such an intention is being considered, employees could and should make representation to management outlining any proposal they may have to maintain the work within the Company.. Their proposal should recognize the full internal costs of their proposal and they may need to consult the Finance Department to obtain the detail necessary to complete their case.

#### **LETTER OF UNDERSTANDING #1**

The Employer recognizes the value of the following plans and programs and agrees to provide each to employees covered by this Agreement in accordance with its usual practice:

39

- (a) Employee Assistance Program
- (b) Profit Based Income Plan
- (c) Stock Purchase Plan
- (d) Scholarship Program
- (e) Educational Reimbursement Program

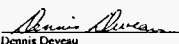

# SIGNATORY PAGE


Signed on the 17<sup>th</sup> day of September 1998 at Sault Ste. Marie, Ontario

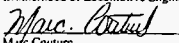
For the Company:

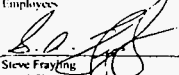
  
R. P. White  
Vice-President- Human Resources  
ALGOMA CENTRAL RAILWAY

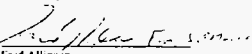
For the Unions:

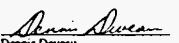
  
Dennis Deveau  
Chairman, Associated Railway Unions ACR  
  
T. G. Huckler  
Vice President  
Brotherhood of Locomotive Engineers

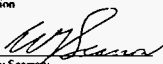
  
Richard Ray  
General Chairman  
Brotherhood of Locomotive Engineers

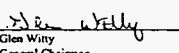
  
Mafé Couture  
General Chairman  
Brotherhood of Maintenance of Way  
Employees

  
Steve Frayling  
Local Chairman  
International Association of Machinists  
And Aerospace Workers

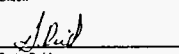
  
Fred Alliman  
Local Chairman  
National Automobile and Agricultural  
Implement Workers Union of Canada  
(CAW-Canada)

  
Dennis Deveau  
National Secretary-Treasurer  
Transportation Communications International  
Union

  
Guy Scarrow  
Vice-President  
United Transportation Union

  
Glen Witty  
General Chairman  
United Transportation Union

  
Perry Wilson  
Local Chairman  
Transportation Communications International  
Union

  
Steve Reid  
Local Chairman  
Brotherhood of Maintenance of Way

## • • • PARTICIPATORY PROCESS

### IMPLEMENTATION OF PARTICIPATORY PROCESS

During these negotiations the Unions expressed concerns with the ability to resolve issues at a local level. They were also concerned with the ineffectiveness of the existing consultative process.

The parties agreed that many of the problems and frustrations could be resolved if there was a genuine commitment from both parties to openly and frankly discuss them in cooperative and participatory fashion.

It was recognized that we have many issues in common that were suitable for the participatory process. They were for example:

- safety and health of employees
- self directed teamwork
- work method improvement
- promotion of inter function understanding
- involving the right people in decision making
- focusing on customer requirements
- the quality of tools and equipment
- open door policy
- improving employment opportunities
- enhancing skills
- quality of life issues
- recognition systems

This list is not exhaustive and can be added to or subtracted from at any time. We recognize that there are issues that are not suitable for this process or may be the legislated or accepted responsibilities of individual parties such as investigation procedures, dues paying, staffing levels or disciplinary decisions.

By dealing with these types of issues in a cooperative and consultative manner it is recognized that there would be improved morale and productivity which would in turn enhance the desired objective of job security and company viability.

### **CONTINUATION OF PROCESS**

An objective, some guiding principles and assurances are outlined on the following page which will provide the foundation for implementation of the process.

We also recognize that there is a need to ensure that the success of this process requires a strong commitment and we will empower a small task force comprising equal union and management representatives to appoint trainers and leaders to make sure our objective is achieved.

### **PARTICIPATORY PROCESS**

All parties recognize the benefit of the involvement of all employees in improving the workplace, its conditions, the quality of life of employees and the service to our customers. In doing so, we have decided to engage in a participatory process by which employees can be actively involved with issues that they deem important.

## OBJECTIVE

6-f-2

Our objective is to develop a safe, self-directed environment designed to improve customer and employee satisfaction through the cooperative efforts of all.

## GUIDING PRINCIPLES

All parties are committed to fostering a participatory process designed to reach our objective.

All parties are committed to the principles of mutual respect and equality of contribution in this process.

All parties recognize their responsibility to support and follow up on the commitments made in the process.

## ASSURANCES

The guiding principles for the participation of employees will:

- assure the maintenance of company and union values and structure
- not negatively impact job security
- recognize freedom of speech without fear of retaliation
- assure consistent rules for all participants
- respect the collective agreement and company policies
- provide for consensus decision making
- ensure that all ideas submitted are seriously considered and employees

whose ideas are not implemented are told why

The company commits to provide education and training for its people to ensure the support and successful implementation of the participatory process.

## LETTER OF AGREEMENT

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**

**--and--**

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS**

The Company agrees that if there is no work assignment in sight after eleven (11) hours tied up away from home the engineer will be deadheaded or worked home.

Foreign trains detouring on ACR Inc. lines will be operated by ACR Inc. engineers.

In the case of work trains or wreck trains where the work is expected to exceed sixteen (16) hours, two (2) engineers will be called, unless the engineer can be relieved.

A minimum of two (2) hours notice will be given to crews to report for work, unless agreed otherwise, except in case of emergency.

The existing accommodations will be continued at Hawk Junction.

If a crew is tied up away from home at Hearst they will stay at a hotel.

Engineers who are not working a regular assignment or a regular scheduled train and who have been away from home for forty-eight (48) hours or more, will be provided with a minimum of twenty-four (24) hours rest after return to their home terminal.



Except when caused by delay which is unforeseen at the time of call, engineers may, at their option, book eight (8) hours rest, after eleven (11) hours on duty. 4

**LETTER OF AGREEMENT**

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**

**--and--**

**U.T.U.**

The Company agrees that if there is no work assignment in sight after eleven (11) hours tied up away from home the conductor will be deadheaded or worked home.

If conductors are to be used on detouring trains on ACR lines, Algoma conductors will be used.

If conductors are to be used on work or wreck trains where the work is expected to exceed sixteen (16) hours, Algoma conductors will be used.

A minimum of two (2) hours notice will be given to crews to report for work for unassigned shifts, unless agreed otherwise, and except in case of emergency.

The existing accommodations will be continued at Hawk Junction.

If a crew is tied up away from home at Hearst they will stay at a hotel.

The Company will establish a conductor training program, the details of which will be developed through the consultative process.

Conductors who are not working a regular assignment or a regular scheduled train and who

have been away from home for forty--eight (48) hours or more, will be provided with a minimum of twenty--four (24) hours rest after return to their home terminal.

(The provision below will be offered to UTU provided it has been agreed to and offered to the BLE.)

“Except when caused by delay which is unforeseen at the time of call, engineers may, at their option, book eight (8) hours rest, after eleven (11) hours on duty.”

The Company will provide uniforms to trainmen assigned to passenger service.

The Company will provide a 30 minute lunch period at a convenient time for trainmen assigned predominantly to switching service at yards.

**LETTER OF UNDERSTANDING  
BETWEEN**

**THE ALGOMA CENTRAL RAILWAY INC.**

**AND**

**THE BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS**

**AND**

**THE UNITED TRANSPORTATION UNION**

**ESTABLISHMENT OF A RELIEF BOARD**

Effective with the May 1998 Change of Timetable the company shall establish a relief list to be used for the fair and orderly distribution of work when the extra board is exhausted. Such list shall initially comprise of employees, in seniority order, who desire to be called for extra work. All subsequent employees added to the board will be placed at the bottom of the list.

The relief list shall thereafter operate on a rotational first-in first-out basis. It is understood that employees shall not be called to work if it will interfere with their regular assignment and shall hold their turn on the rotation list.

Employees called for extra work shall be compensated at a rate of one and one-half times the applicable daily rate, except in instances when an employee has a deficit in the current pay period obligation.

## **JOB BULLETIN**

The company shall bulletin jobs for bidding for the January 31, May and October passenger schedule changes at least thirty days prior to the effective date of change.

### **DEADHEAD BETWEEN HAWK JUNCTION AND SAULT STE. MARIE OR HAWK JUNCTION AND HEARST**

An employee who is required to deadhead between Hawk Junction and Sault Ste. Marie, or Hawk Junction and Hearst, will be compensated an amount equal to six (6) hours.

In instances when an employee completes a tour of duty and is subsequently deadheaded to the home terminal, he shall be compensated as in continuous service provided that such employee can reach the destination within the twelve (12) hour day. When it is determined that the combined service cannot be completed within twelve (12) hours, the employee shall be paid six (6) hours for the deadhead.

Deadheading between Sault Ste. Marie and Hearst shall be compensated for in an amount equal to twelve (12) hours for such service.

### **HELD AWAY TERMINAL**

When Transportation employees are held at away from home terminal for sixteen (16) hours, they will be paid a comp day (12 hours) at straight time plus paid an extra per diem (as per contract). Comp time can be banked at employee's option.

## STARTING TIMES AND HOURS OF SERVICE

In order to enhance the safe operation of trains, the company shall establish and designate an on-duty time for trains, with the proviso that if the train is ready earlier, the crew may be required to report for work up to two (2) hours ahead of the scheduled time.

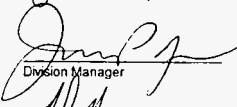
In instances where a train was extensively delayed, the crew would be considered as being on duty at the fifth hour after the scheduled departure time. All such time would be calculated in the twelve (12) hour work requirement.


If it is determined that the crew could not reach the objective terminal within the twelve (12) hour period, the crew shall be relieved from duty prior to the twelfth hour. Alternatively, the crew may be relieved from its assignment and allotted another assignment that fits within its time slot.


This agreement is made and entered into at Sault Ste. Marie, Ontario this 17th day of September, 1998.

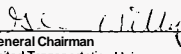
Algoma Central Railway Inc.

  
Vice President Transportation

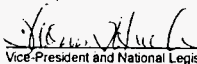
  
Division Manager

  
Manager of Operations

  
General Chairman  
Brotherhood of Locomotive Engineers

  
General Chairman  
United Transportation Union

I Concur,  
  
Vice President Human Resources

I Concur,  
  
Vice-President and National Legislative Representative  
Brotherhood of Locomotive Engineers

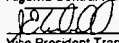
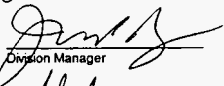

  
Vice President United Transportation Union

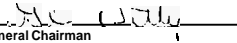
**LETTER OF AGREEMENT  
BETWEEN  
THE ALGOMA CENTRAL RAILWAY INC.  
AND  
THE BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS  
AND  
THE UNITED TRANSPORTATION UNION**

Concern was expressed by both the UTU and BLE that if future reductions in the separate crafts were not proportionate to the present established lists, there could be an imbalance, or adverse affect to either one of the bargaining units.

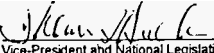
In order to address the unions' concerns, it was agreed that, in any pay period when there were seven (7) or more instances, when employee(s) from one craft (bargaining unit) was used to perform duties in the other craft (bargaining unit), an employee from the appropriate laid off list would be recalled to the active working list.

This agreement is made and entered into at Sault Ste. Marie, Ontario this 17th day of September, 1998.

Algoma Central Railway Inc.  
  
Vice President Transportation  
  
Division Manager  
  
Manager of Operations

  
General Chairman  
Brotherhood of Locomotive Engineers  
  
General Chairman  
United Transportation Union

I Concur.  
  
Vice President Human Resources

I Concur.  
  
Vice-President and National Legislative Representative  
Brotherhood of Locomotive Engineers

  
Vice President United Transportation Union

**LETTER OF AGREEMENT BETWEEN  
WISCONSIN CENTRAL RAILWAY  
(Algoma Central Railway Inc.)**

**AND**

**UNITED TRANSPORTATION UNION**

**AND**

**THE BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS**

**CONCERNING THE OPERATION OF  
REMOTE CONTROL LOCOMOTIVE SYSTEMS  
AND BELT PACK TECHNOLOGY**

This agreement is made between the Wisconsin Central Railway (Algoma Central Railway Inc.) The United Transportation Union (UTU) and the Brotherhood of Locomotive Engineers (BLE) and provides the terms and conditions for the implementation and continuing operation of the Remote Control Locomotive Systems (RCLS) and Belt Pack Technology (BPT) in yard service and the applicable rate of pay .

The agreement is made in recognition of and as a result of the terms and conditions of the collective agreements between the parties. This agreement and any provisions contained herein are binding on the parties and is made without precedent or prejudice to either party and will not be used by either party in any other forum, tribunal, court or jurisdictional boundary.

The fundamental spirit and intent of this agreement is to set out the terms and conditions for the operation of RCLS and BLT technology and to provide for an



equal sharing of work between the members of the BLE and UTU bargaining units governed by this memorandum.

1.0 Operations

- (a) Effective 1 July, 1998, the company may operate remotely controlled locomotives in yard service.
- (b) Assignments will be operated in accordance with this agreement. It is understood in the application of this agreement the primary duties of RCLS/BPT equipped crews are those traditionally associated with their assignments.

2.0 Rates of Pay

- (a) A Locomotive Engineer and Conductor on an RCLS/BPT assignment will be paid as below:
  - Engineer B - \$4950 monthly Canadian
  - Conductor B - \$4150 monthly Canadian


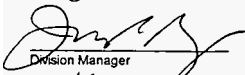
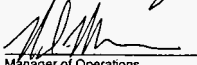
3.0 Training



- (a) The duration and content of the training course is to be determined by the company with input from the UTU and BLE.
- (b) Training to become qualified to operate the RCLS/BPT equipment will be bulletined and awarded in accordance with the respective terms of the BLE and UTU agreements and as agreed locally between the company and the two general chairmen by this memorandum.

(c) Upon completion of training, employees will have the designation qualified for RCLS/BPT shown with their name on their respective seniority lists. The RCLS/BPT qualification shall not confer any advantage in respect to qualification or lack of qualifications.

(d) Employees who hire on subsequent to the date of signing of this agreement must become qualified for the RCLS/BPT operations.

This agreement is signed at Sault Ste. Marie, Ontario, this 17th day of September, 1998.

Algoma Central Railway, Inc.  
  
Vice President Transportation  
  
Division Manager  
  
Manager of Operations

  
General Chairman  
Brotherhood of Locomotive Engineers  
  
General Chairman  
United Transportation Union

I Concur,  
  
Vice President Human Resources

I Concur,  
  
Vice President and National Legislative Representative  
Brotherhood of Locomotive Engineers  
  
Vice President United Transportation Union

**MEMORANDUM OF UNDERSTANDING  
BETWEEN**

**THE ALGOMA CENTRAL RAILWAY INC.**

**AND**

**THE BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS**

**AND**

**THE UNITED TRANSPORTATION UNION**

**CONCERNING THE SELECTION AND TRAINING  
OF NEW LOCOMOTIVE ENGINEERS**

It is agreed that effective 1 July, 1998 the following will apply with respect to the training and qualification of Conductors in the training to be a Locomotive Engineer.

Note: For the purpose of this Memorandum of Understanding, the term "Company" refers to the Algoma Central Railway Inc.

**Selection of Locomotive Engineer Trainees**

- 1.01 It is agreed that senior qualified Conductors will have preferred consideration for Locomotive Engineer promotion.
- 1.02 Conductors hired after October 1, 1997 must accept Engineer promotion when made available to them. Failure of the Engineer promotion program for these employees may result in disqualification in all T & E service.

1.03<sup>1</sup> A Locomotive Engineer qualified under this Agreement may revert to a Conductor position only where they are able to show just cause with exceptional circumstances. Those Conductors will lose Engineer seniority. Management will consult with the General Chairman of the UTU and BLE.

1.04 When making the selection of existing Conductors for Engineer promotion the Manager will consult with the General Chairman of the BLE and UTU.

#### **Establishing of Seniority**

2.01 The Locomotive Engineer Trainee will establish seniority as an Engineer on the date the bulletin closes. Management will make a good faith effort to provide a ten day notice prior to class commencement. Conductors will be given preference over other crafts in determining seniority.

2.02 Locomotive Engineer Trainee will be represented by the BLE throughout the promotion process until fully qualified.

2.03 Conductors who qualify as Engineers will continue to accumulate seniority as a Conductor.

#### **Locomotive Engineer Not Assigned to the Locomotive Engineers' Working List**

3.01 All Locomotive Engineer Trainees having successfully completed the Locomotive Engineers' Training Program will be required to work Locomotive Engineer vacancies in seniority order.

- 3.02 After being qualified to work as Locomotive Engineer, the employee will be required to work as a Locomotive Engineer when required for both regular assignments and for single trips, if necessary.
- 3.03 When there are temporary vacancies of less than 45 days, the senior qualified Locomotive Engineer working as a Conductor may, if they so desire, fill these temporary vacancies. If the senior qualified Locomotive Engineer working as a Conductor does not elect to fill the vacancy, a junior qualified Locomotive Engineer working as a Conductor will be required to fill the temporary vacancy.
- 3.04 For regular vacancies, the senior qualified Locomotive Engineer working as a Conductor, will be required to work as a Locomotive Engineer.
- 3.05 Where it is necessary to furlough Locomotive Engineers, recall and calling for ad hoc or single trip basis for Locomotive Engineer positions shall be by the employee's Locomotive Engineer Seniority standing. Where such employee is by-passed, they shall be made whole.
- 3.06 Except in the case of emergency or where the auxiliary or wreck equipment is ordered, regularly assigned Conductors and Locomotive Engineers will not be required to accept on a single trip or ad hoc trip call where the Conductor or Locomotive Engineer would not be normally called and therefore not properly rested to safely perform his or her duties. The employee would be the judge of their own fitness due to

- <sup>2</sup> "rest and may request additional rest as they deem necessary.

#### **Vacation Scheduling**

- 4.01 Employees who perform service, part as a Locomotive Engineer and part as a Conductor, will schedule vacation from the roster based on the majority of the time worked from the prior six months. That is, if the preponderance of work in the previous ~~six~~ months was performed as a Conductor, the Employee would be granted vacation on the appropriate Conductor vacation list. If the preponderance of work in the previous six months was performed as a Locomotive Engineer, the Employee would be granted vacation date(s) on the Locomotive Engineer vacation list. Employees in other crafts who are required to work as a Locomotive Engineer would be treated similarly.
- 4.02 Disputes from individual Conductors arising from this arrangement are to be settled by discussions between the proper Manager and the General Chairman.

#### **Training Program**

- 5.01 The Company's training program will include classroom and simulation work; initial observation and demonstration trips to gain experience in train handling; subsequent trips for new route familiarization and; final qualification trip under the observation of a qualified Transportation Manager.
- 5.02 Locomotive Engineers who have observed the Trainee during the qualification periods, will be asked for their input on the Trainee's readiness for final qualification.

5.03 The on-the-job training should be interrupted as little as possible. The Trainee may be required to work as a Conductor in "emergency" operational situations.

**Rate of Pay - Locomotive Engineer Trainee**


- 6.01 Trainee in the program will not be paid less than the Conductor "A" rate of pay while actively training.
- 6.02 Trainees called as Locomotive Engineers in yard service shall be compensated at the rate of pay for the assignment the Trainee has been called to fill.

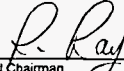
This Memorandum is signed at Sault Ste. Marie, Ontario this 17th day of September, 1998.

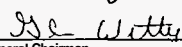
Algoma Central Railway Inc.

  
\_\_\_\_\_  
Vice President Transportation

  
\_\_\_\_\_  
Division Manager

  
\_\_\_\_\_  
Operations Manager

  
\_\_\_\_\_  
General Chairman  
Brotherhood of Locomotive Engineers

  
\_\_\_\_\_  
General Chairman  
United Transportation Union

I Concur:

  
\_\_\_\_\_  
Vice President Human Resources

I Concur:

  
\_\_\_\_\_  
Vice President and National Legislative Representative  
Brotherhood of Locomotive Engineers

  
\_\_\_\_\_  
Vice President United Transportation Union

LETTER OF AGREEMENT  
BETWEEN

THE ALGOMA CENTRAL RAILWAY INC.

AND

THE TRANSPORTATION COMMUNICATIONS  
INTERNATIONAL UNION

CONCERNING THE CHANGE IN RULE #25.05  
(MONTHLY SALARIES)  
DEVELOPED AN ENTRY AND BASE RATE FOR  
THE CLERICAL POSITIONS

It is agreed that effective 1 February, 1998 the following will apply with respect to the clerical salaries:

**Salary Structure**

It is agreed that a new monthly salary structure will consist of an entry rate and a base rate. The entry rate will be 85% of the base rate.

It is agreed that the existing "Mid" salary point will be the established base rate.

It is agreed that a 5% progression from the entry rate to the base rate will be scheduled on a 6-month basis in conjunction with the performance review.


**Change in Salary**


It is agreed that the Material Handler position will be paid at the General Clerk rate as outlined in ACRI Agreement of February 1, 1995.



The above change *in* salary structure *will apply.*

This agreement made and entered into this 17th day  
of September, 1998.

Signed:  
  
Perry Wilson  
General Chairman TCIU

  
Richard P. White  
Vice President Human Resources  
Algoma Central Railway Inc.

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

--and--

**BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES and INTERNATIONAL  
ASSOCIATION OF MACHINISTS AND  
AEROSPACE WORKERS.**

The Company will allow the use by members of BMW & IAM of the bunk house at Hawk Junction to the extent rooms are available after providing for engineers and conductors.

The Company agrees in principle to provide transportation from the headquarters location to the work site and back, the details of which will be developed in the consultative process.

Any existing bunk houses used by the members of the BMW or IAM will be retained in service subject to the same conditions as currently exist.

This agreement made and entered into this 17th day of September, 1998.

Signed:  
  
Mark Couture  
General Chairman BMW

  
Steve Frayling  
Local Chairman IAM

  
Richard P. White  
Vice President Human Resources  
Algoma Central Railway Inc.

**LETTER OF AGREEMENT**

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**

**--and--**

**BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES and INTERNATIONAL  
ASSOCIATION OF MACHINISTS AND  
AEROSPACE WORKERS**

This has reference to discussions between the parties during the current round of negotiations in connection with the travel arrangements for members of the BMW/AM employed on seasonal production gangs.

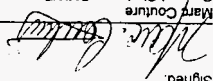
It is agreed that such employees will be paid the applicable mileage rate at gang start up, from Steelton to the location of accommodation to be used. Mileage rates will also apply each time the gang is moved from one location to another and on gang wind-up for travel back to Steelton.

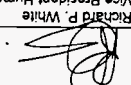
It is further agreed and understood that the gangs' time will start and end at the designated accommodation location.

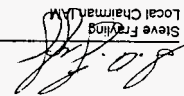
This agreement does not preclude other employees from claiming the mileage allowance under the provisions of Article 18.03 of the collective agreement.

This agreement made and entered into this 17th day of September, 1998.

Signed:

  
Mark Courure  
General Chairman BMWF

  
Richard P. White  
Vice President Human Resources  
Aljoma Central Railway Inc.

  
Steve Frating  
Local Chairman LAM

**LETTER OF AGREEMENT**

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**

**--and--**

**BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES**

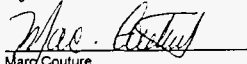
This has referenceto discussions between the parties during the current round of negotiations in connection with BMWWE members being set up as supervisors and maintaining their seniority standing within the ranks of the BMWWE.

It was agreed that such employees will have Union dues deducted from their pay cheques in an amount equal to that paid by BMWWE represented employees, in order to maintain a seniority standing on the lists they are currently listed. Such employees refusing to have deductions made, will have their names removed from all applicable seniority lists.

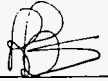
It is further agreed that any supervisor reverting to the ranks will be required to displace the junior permanent employee, seniority permitting, in the highest class in which he holds seniority, except in situations where the Employer institutes a change abolishing a supervisor's position where such employee will be allowed to exercise his full seniority rights. It is understood that the provisions of Article 7.06 of the collective agreement will apply.

This agreement made and entered into this 17th day  
of September, 1998.

Signed:



Marc Couture  
General Chairman  
BMW



Richard P. White  
Vice President Human Resources  
Algoma Central Railway Inc

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

--and--

**BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES**

This has reference to the BMW demand during the current round of negotiations with respect to eight consecutive hours constituting a day's work.

During discussion of this demand, the Company officers concerned assured the Brotherhood representatives, that there will be no implementation of split shifts for any positions represented by the BMW.

It is understood that this assurance will remain in effect for the term of the newly negotiated agreement.

This agreement made and entered into this 17th day of September, 1998.

Signed:



Marc Couture  
General Chairman  
BMW



Richard P. White  
Vice President Human Resources  
Algoma Central Railway Inc.

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.

-and-

**BROTHERHOOD OF MAINTENANCE OF WAY  
EMPLOYEES**

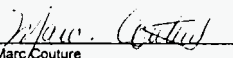
This has reference to discussions between the parties during the current round of negotiations in connection with the existing bunk house accommodations used by members of the BMW.


It is agreed that bunk houses at Searchmont, Montreal Falls, Hawk Junction, Agawa Canyon, Perry, Franz and Oba currently used by the members of the BMW will be retained in service and will be kept in good repair. Should the section forces at Perry be relocated this may result in the bunk house at Perry being closed.

Since the Union's request to have similar accommodation arrangements at Wyborn has not been resolved in the negotiation process, the parties agree that this issue will be advanced to the new participation/consultation process to reach a mutually satisfactory resolution.

This agreement made and entered into this 17th day of September, 1998.

Signed

  
\_\_\_\_\_  
Marc Couture  
General Chairman  
BMW

  
\_\_\_\_\_  
Richard White  
Vice President  
Algoma Central Railway Inc



LETTER OF AGREEMENT . . .

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**

**-and-**

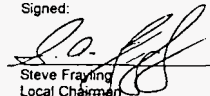
**INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS**

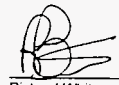
This has reference to the current round of negotiations and changes made to letters of understanding involving the ACRI, BMW and IAM now reflecting agreement between the ACRI and BMW only.

As a result of those changes, it is agreed that the letters of understanding between the ACRI and BMW dealing with bunkhouse accommodations and travel arrangements for gang employees apply equally to members represented by the IAM.

This agreement made and entered into this 17th day of September, 1998.

Signed:

  
\_\_\_\_\_  
Steve Fraying  
Local Chairman  
IAM

  
\_\_\_\_\_  
Richard White  
Vice President  
Algoma Central Railway Inc.

**LETTER OF AGREEMENT**

**BETWEEN:**

**ALGOMA CENTRAL RAILWAY INC.**


**--and--**


**CAW CANADA**

Given the scale of Algoma Central Railway's operation, it is understood that contractors and their equipment will be used at derailment sites where the authorized manager determines the need. However as stated in Article 26.01 of this agreement, the Railway will utilize its own people and equipment where that is proven to make sound business sense.

This agreement made and entered into this 17th day of September, 1998.

Signed. →

  
Fred Allinson  
Local President  
CAW

  
Richard P. White  
Vice President Human Resources  
Algoma Central Railway Inc.

LETTER OF AGREEMENT

BETWEEN:

ALGOMA CENTRAL RAILWAY INC.


--and--


CAW CANADA

I am in receipt of your May 4, 1998 letter reviewing our discussion of March 27, 1998 regarding clarification of the lay-off and recall provision. Any employee on a lay-off status who has been recalled to a temporary position will be considered to have regular recall rights pursuant to our collective agreement.

This agreement made and entered into this 17th day of September, 1998.

Signed:

  
Fred Allinson  
Local President  
CAW

  
Richard D. White  
Vice President Human Resources  
Algoma Central Railway Inc.

May 6, 1998

^ All Managers  
Algoma Central Railway Inc.

During the current negotiations for the ACRI collective agreement the issue was raised of the interpretation of 9.01 (a) of the agreement.

The clause provides the ability for people to be held off work for up to 5 days while an investigation is held. There are two points to this clause that should be noted.

- (1) You cannot hold people off without pay under this clause as such an action is a form of discipline which cannot be determined without the fair and impartial hearing required in the clause. Effectively this means that the employee will continue to be paid until the hearing is held and the decision made.
- (2) It is not appropriate to hold people off work unless the behaviour has been clearly unsafe; or the employee has been grossly insubordinate; or has been involved in suspected theft, fraud, drinking, drugs, violence; or has a pattern of miscreant behaviour which has been the subject of past notice, or similar levels of unacceptable behaviour.

Should you have any need for clarification of this letter, please do not hesitate to call myself (847) 318-4655, Deb Coady (920) 436-5960 or Teresa Vavala (705) 541-2940.



Richard P. White  
Vice President Human Resources

RPW/jvd

cc: G. Kerbs G. Guthrie  
J. E. Terbell J. Rogers  
R. Nadrowski T. Corson  
W. Kelly D. Ingold  
J. Van Huis