

12720-03

SOURCE	UNION		
EFF.	2004	08	01
TERM.	2009	06	30
No. OF EMPLOYEES	870		
NOMBRE D'EMPLOYÉS	870		



**COLLECTIVE AGREEMENT NO. 1**

between

**AIR CANADA REGIONAL INC.  
(AIR CANADA JAZZ)**

and

**NATIONAL AUTOMOBILE, AEROSPACE,  
TRANSPORTATION AND GENERAL WORKERS  
UNION OF CANADA  
(CAW-CANADA)  
AND ITS LOCAL 2002**

**(TECHNICAL SERVICES)**

ENTERED

12720(03)

Effective October 1, 2001 - June 30, 2009

Agreed to use this generation as -03  
from 2004/08/01 to 2009/06/30.

Coded 2006/02/01  
S.B.

**THIS COLLECTIVE AGREEMENT IS THE PROPERTY OF:**

Name:

Address:

Phone:

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## **Article 1 – Purpose of Agreement and Definitions**

- 1.01 The purpose of this Agreement is to set forth the rights of the parties and the rules concerning wages, hours of work and working conditions which will apply between the parties. It is recognized by this Agreement to be the duty of the Company and the employees to co-operate fully so as to provide for the operation of the services of the Company in a manner which will further, to the fullest extent possible, the safety, efficiency and profitability of the operation, and the continuation of employment under reasonable working conditions
- 1.02 The rules set forth herein will take precedence over any conflicting rules, policies or procedures developed by the Company. Where the provisions of this Agreement are at variance with Company regulations, the former will take precedence.
- 1.03 Should any part of this Agreement be rendered invalid by reason of legislation enacted by any Government in Canada, such invalidation of any part of the provisions of this Agreement will not invalidate the remaining portions thereof, and they will remain in full force and effect.
- 1.04 There will be no strikes or lockouts so long as the Agreement continues to be in effect pursuant to Article 21.
- 1.05 **Definitions**
- 1.05.01 **Agreement** - means the Collective Agreement in effect, including agreed upon amendments or interpretations thereto and covered by letters signed by responsible Company and Union Officers/Representatives.
- 1.05.02 **Base** - means a city served by the Company where employees covered by this Agreement are employed. Current bases are illustrated in Appendix 3.
- 1.05.03 **Classification** - means a classification as described in Article 4.
- 1.05.04 **Company** - means Air Canada Regional Inc. (Air Canada Jazz) as represented through Officers and Management at various levels.
- 1.05.05 **District** - means a District of the Union as determined from time to time in accordance with its by-laws.
- 1.05.06 **Employee** - means any person in the employ of the Company who is in the bargaining unit covered by this Agreement.
- 1.05.07 **Gender** - the third person masculine gender when used throughout this Agreement will be understood to mean the third person masculine and feminine gender.
- 1.05.08 **Holiday** - means a holiday as provided for in Article 13.
- 1.05.09 **Location** - means a subdivision of a base according to work-site, shop or area as may be mutually agreed between the Company and the Union. Current locations are illustrated in Appendix 3.
- 1.05.10 **Lock-out** - means the closing of a place of employment, a suspension of work or a refusal by the Company to continue to employ a number of employees, done to compel those employees, or to aid another employer to compel their employees to agree to terms or conditions of employment.
- 1.05.11 **Position** - means a subdivision of a classification as described in Article 4.02 and Article 4.05.



- 1.05.12 **Requirements of the Service** - means a situation which calls for immediate action and which could not be reasonably predicted nor preplanned.
- 1.05.13 **Shift** - means a period of time within a day, as described in a shift schedule
- 1.05.14 **Shift Schedule** - means a projection of all employees' shifts at a location with regard to days worked and days off, including shift starting and terminating times.
- 1.05.15 **Strike** - means (i) a cessation of work, or (ii) a refusal to work, or (iii) a refusal to continue to work, or (iv) an act or omission that is intended to, or does, restrict or limit production or services, by employees in combination, or in concert, or in accordance with a common understanding, for the purpose of compelling the Company to agree to terms or conditions of employment, or of compelling another employer to agree to terms or conditions of employment of their employees, and "to strike" has a similar meaning.
- 1.05.16 **Technical 1** - means the group of employees described under Article 4.02.
- 1.05.17 **Technical 2** - means the group of employees described under Article 4.05.
- 1.05.18 **Union** - means the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) and its Local 2002.
- 1.05.19 **Vertical Line** - A line beside an Article denotes a revision effective with the current Agreement.

**Article 2 - Union Recognition**

- 2.01 The Company recognizes the Union as the sole bargaining agent for the employees as certified by the Canada Industrial Relations Board on April 27, 2001, or as may be subsequently amended by the Board or agreed by the Company and Union. Current classifications are listed in Article 4.
- 2.02 All employees who, on the date of the signing of this Agreement, are Union members in good standing, or who may subsequently become Union members in good standing, will as a condition of employment maintain Union membership. All employees who, as of the effective date of this Agreement, are not Union members will not be required to become members as a condition of employment. All new employees hired as of the date of the signing of this Agreement will, as a condition of employment, become Union members within 30 days from the date of employment and will, as a condition of employment, remain Union members in good standing.
 

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- 2.03 **Sub-Contracting** of work falling within the scope of this Agreement will be governed by the following provisions.
  - 2.03.01 All work presently sub-contracted out specific to a base may continue to be sub-contracted. All work not presently sub-contracted may not be sub-contracted and will be performed by employees except as provided for in Article 2.03.02 and Article 2.03.03. Work which is not presently sub-contracted at a base may not be sent to another base and sub-contracted.
 

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    - 2.03.01.01 When the Company wishes to test the feasibility of having the work performed by covered employees, the Company may elect to have sub-contracted bargaining unit work performed by covered employees for a specified trial period not to exceed six (6) consecutive calendar months, or such longer period of time as mutually agreed between the Company and the Union Bargaining Committee Chairperson, dating from the first day the work begins to be performed by covered employees. Such work may be sub-contracted again at the end of the trial period if the Company decides it is not feasible to have the work performed by covered employees. In order for this
 

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provision to apply, the Company must have advised the Union of the trial period in advance, or obtained the Union's agreement to extend the trial period.

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1.e.5  
2.03.02 If a requirement occurs which may necessitate sub-contracting part or parts of bargaining unit work on a short term basis, the Company will first consider satisfying the work requirements with overtime and/or by offering the work to employees on layoff, Prior to sub-contracting the work the Company will advise the Union Bargaining Committee Chairperson in writing of its intent to, and rationale for, sub-contracting the work, including the reason why it is unable to satisfy the work requirements through overtime or by offering the work to employees on layoff, and will, if requested, meet with the Union to discuss the matter.

2.03.03 An AMO which is performing work for the Company will be restricted to performing only AOG work in its own base/airport and the AMO will not be permitted to repair Company aircraft at any other base/airport, unless either, Company employees cannot be dispatched within two (2) hours of becoming aware of the A.O.G. from the base closest to the A.O.G. or in bases where five (5) or less employees in a Technical 1 classification are employed but are not on duty or are not available for duty and the work is necessary to minimize flight delays and impact to the customer. The Union Bargaining Committee Chairperson will be advised in writing of such occurrences. In addition, if parts are being sent from a Company base to repair the aircraft, an employee will also be sent.

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2.03.04 No employee will lose their employment in their base or location, or their position in their classification, as a result of sub-contracting of work falling within the scope of this Agreement. It is agreed that a staff reduction will not result from the contracting out of bargaining unit work as permitted by the foregoing except where a staff reduction is required due to the contracting out of bargaining unit work which, in accordance with Article 2.03.01.01, has been contracted out following a trial period. However, such a staff reduction will affect no more employees than the number of employees hired, transferred or recalled from lay-off to perform the work.

2.03.05 The Company will meet with the Union Bargaining Committee Chairperson upon request to discuss work which is sub-contracted to determine if it could be performed by employees under the terms of this Agreement.

2.04 **Other Company Personnel**- Management and other Company employees outside the bargaining unit will not perform bargaining unit work except in unusual circumstances which arise suddenly and where special assistance is required to avoid abnormal delay to the customer or the operation and also in cases of instruction, emergency, investigation, experimentation and visual inspection and evaluation of damage.

### **Article 3 - Management's Rights**

3.01 Management will have the right to direct the affairs of the Company in an efficient and effective manner by the direction of the working force including the right to hire, discipline and discharge for just cause, promote, transfer, relocate and layoff due to lack of work or for other legitimate reasons. These enumeration's will not be deemed to exclude other prerogatives not enumerated, and any of the rights, powers or authority the Company had prior to the signing of the first Agreement, are retained by the Company, Such rights will be exercised in a manner that is fair, reasonable and consistent with the provisions of the Agreement.

3.02 It is agreed and understood that nothing in the foregoing will detract from the right of the employee or the Union to initiate a grievance in the manner provided for by this Agreement.

**Article 4 - Scope of the Agreement, Classifications and Positions**

4.01 Work falling within the following classifications will be covered by this Agreement and will, unless otherwise provided for in this Agreement, be performed by employees covered by this Agreement. Nothing in this Article is intended to restrict the ability of an employee to perform the work of another classification as may occasionally be assigned by the Company in accordance with the requirements of the operation and the qualifications of the employee.

4.02 **Technical 1 Classifications and Positions**

Each employee with an Aircraft Maintenance Engineer (AME) License, or who is in their apprenticeship towards an AME license, will be assigned to one of the following classifications, according to their trade/license.

- “M” - Mechanical Engineer
- “E” - Avionics Engineer
- “S” - Structure/Sheet Metal/Composite Engineer

Within their classification, each employee will be assigned to one of the following positions according to their qualifications as described below:

- 7.e
- 4.02.01 **Apprentice Engineer** - Comprises those employees, who have graduated from a full-time program at a recognized training institute, who perform the duties of an Engineer in a learning capacity under the direction of a Licensed Engineer. The Company will recognize Apprentice time spent working in a relevant classification within the airline industry. For the purposes of the foregoing, the Company agrees that it will not recognize distance learning courses or correspondence courses.
  - 4.02.02 **Non-certifying Engineer** - Comprises those employees who are in possession of a current “Aircraft Maintenance Engineer License” but without Aircraft Certification Authority.
  - 4.02.03 **Certifying Engineer** - Comprises those employees who are in possession of a current “Aircraft Maintenance Engineer License” with Aircraft Certification Authority (ACA) for the types of aircraft, power plants, structures, components and avionics upon which they can normally be expected to work and/or certify.
  - 4.02.04 **Crew Chief** - Comprises those employees with the qualifications of a Certifying Engineer who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

The Company may also appoint a Crew Chief in a small base in which there is not direct supervision, who will, in addition to the requirements of a Certifying Engineer, be responsible for some base maintenance administration but excluding the discipline or discharge of another employee.

- 4.03 (a) Advancement from the Apprentice Engineer position to the Non-certifying Engineer position will be automatic when the apprentice has successfully completed the required Transport Canada examinations to qualify for an AME licence and will remain there for a maximum twenty-four (24) months. At the end of this twenty-four (24) months, the employee will automatically advance to the Certifying Engineer position.
- (b) Advancement from the Non-certifying Engineer position to the Certifying Engineer position will be automatic after completing twenty-four (24) months in the Non-certifying Engineer position.

Employees hired into a Non-certifying Engineer position who obtain their ACA earlier will be advanced when they obtain their ACA.

- 4.04 Aircraft Certification Authority (ACA) will be granted to all employees who are in possession of a current "Aircraft Maintenance Engineer License" endorsed for the types of aircraft, power plants, structures and avionics upon which they can normally be expected to work and/or certify or who have met the requirements of the Maintenance Control Manual except where the Company, with just cause and in accordance with the provisions of the Maintenance Control Manual conforming with the requirements established by Transport Canada, is unable to grant an ACA. This will only apply after the requirements of Article 4.03 have been met.

The Company may only remove or suspend an Aircraft Certification Authority (ACA) or endorsement from an employee with just cause where the employee fails to meet the requirements of the ACA or endorsement in accordance with the provisions of the Maintenance Control Manual conforming with requirements established by Transport Canada. An employee whose ACA or endorsement is removed or suspended will be placed in the position for which they are qualified and their rate of pay will be the closest lower rate on the new scale. Scheduled advancement will continue in accordance with Article 5.02 without interruption.

Any refusal to grant an ACA or endorsement or removal or suspension of an ACA or endorsement in accordance with the foregoing will be considered as disciplinary action and the provisions of Article 16 will apply.

An employee whose ACA or endorsement is subsequently reinstated will be returned to their previous level on the pay scale.

- 4.05 **Technical 2 Classifications and Positions** - Employees who do not fall under a Technical 1 classification will occupy a position in a classification as determined by the following:

**UPHOLSTERY CLASSIFICATION**

**Upholsterer** - Comprises those employees who repair and maintain aircraft interiors, signage, seat coverings, curtains, and carry out other related duties as assigned, including the use of industrial sewing equipment.

**PAINTER CLASSIFICATION**

**Painter** - Comprises those employees who prepare, paint and mark aircraft and aerospace components and carry out other related duties as assigned.

**Crew Chief Painter** - Comprises those employees who perform the duties of a Painter who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**STORES CLASSIFICATION**

**Storesperson** - Comprises those employees who perform stores functions (receiving, shipping, warehousing, stocking, delivery/pickup and issuing parts, tools and supplies, ensuring related paperwork and records are completed), operation of motorized equipment and delivery vehicles, general cleaning of stores work area, and carry out other related duties as assigned.

**Stores Crew Chief** - Comprises those employees who perform the duties of a Storesperson who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**GROUND EQUIPMENT MAINTENANCE CLASSIFICATION**

**Ground Equipment Mechanic** - Comprises those employees who have successfully completed the required provincial examinations and have obtained an automotive mechanic license who maintain Company vehicles, aircraft tugging and starting equipment and carry out other related duties as assigned.

17.2

**Ground Equipment Apprentice** - Comprises those employees who have graduated from a full-time program at a recognized trade school who perform the duties of a Ground Equipment Mechanic in a learning capacity under the direction of an Ground Equipment Mechanic.

**Ground Equipment Unlicensed Mechanic** - Comprises those employees who are unlicensed and not in an apprenticeship program who perform ground equipment maintenance duties under the direction of a Ground Equipment Licensed Mechanic.

**Ground Equipment Crew Chief** - Comprises those employees with the qualifications of a Ground Equipment Licensed Mechanic who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**HANGAR MAINTENANCE CLASSIFICATION**

**Hangar Attendant** - Comprises those employees engaged in general facilities maintenance including janitorial duties and who also work in co-operation with the Company Safety Officer to ensure adequate disposal and handling of waste materials and carry out other related duties as assigned.

**WELDING CLASSIFICATION**

**Welder** - Comprises those employees who meet the interprovincial journeyman standards and are in possession of an Transport Canada Authority and meet the required Transport Canada standards which are set out in the Maintenance Control Manual for an Aircraft Welder and are engaged in duties which include the weld repair of aircraft products and carry out other related duties as assigned.

17.2

**Welder Apprentice** - Comprises those employees who have graduated from a full-time program at a recognized trade school who perform the duties of an Welder in a learning capacity under the direction of an Aircraft Welder.

**Welder Crew Chief** - Comprises those employees who perform the duties of a Welder who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company. Welder Crew Chiefs may also be assigned this responsibility for employees in the Machinist classification.

**MACHINIST CLASSIFICATION**

**Machinist** - Comprises those employees who meet the interprovincial journeyman standards who work to fabricate, repair, rework or modify parts, components and specialized tooling, and carry out other related duties as assigned.

7.2

**Machinist Apprentice** - Comprises those employees who have graduated from a full-time program at a recognized trade school who perform the duties of a Machinist in a learning capacity under the direction of a Machinist.

**Machinist Crew Chief** - Comprises those employees with the qualifications of an Aircraft Welder or Machinist who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company. Machinist Crew Chiefs may also be assigned this responsibility for employees in the Welder classification.

**NON-DESTRUCTIVE TESTING CLASSIFICATION**

**Non-Destructive Test Technician** - Comprises those employees who carry out and certify: liquid penetrant, magnetic particle, eddy current and ultrasonic inspections in accordance with CGSB standards and who are qualified and hold the appropriate licenses to carry-out and certify such work, including holding the applicable CGSB certificates. At locations where equipped, employees will also carry-out and certify radiographic inspections.

**Non-Destructive Test Technician Crew Chief** - Comprises those employees with the qualifications of an Non-Destructive Test Technician who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**AVIONICS SHOP CLASSIFICATION**

**Avionics Shop Technician** - Comprises those employees involved in the overhaul, repair, modification, inspection, testing and certification of aviation components and carry out other related duties as assigned.

**Avionics Shop Crew Chief** - Comprises those employees with the qualifications of an Avionics Shop Worker or a Certifying Engineer who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**MECHANICAL SHOP CLASSIFICATION**

**Mechanical Shop Technician** - Comprises those employees involved in the overhaul, repair, modification, inspection, testing and certification of aviation components and carry out other related duties as assigned.

**Mechanical Shop Technician Crew Chief** - Comprises those employees with the qualifications of a Mechanical Shop Technician or a Certifying Engineer who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**FURNISHINGS CLASSIFICATION**

**Furnishings Technician** - Comprises those employees involved in maintaining and repairing aircraft interior equipment and appliances and carry out other related duties as assigned.

**Furnishings Technician Crew Chief** - Comprises those employees with the qualifications of a Furnishings Technician who have also been assigned the responsibility for delegating work to other employees in their respective crews and to ensure that the work is being performed to the standards set by the Company.

**SHEET METAL SHOP CLASSIFICATION**

**Sheet Metal Shop Technician** - Comprises those employees involved in the overhaul, repair, modification, inspection, testing and certification of aviation components and carry out other related duties as assigned.

**SHOP HELPER/CLEANER CLASSIFICATION**

**ShopHelper/Cleaner** - Comprises those employees who are engaged in cleaning of aircraft parts or components and/or helping Technical 1 and 2 employees in performing their duties but excluding the actual repair of aircraft structures and components and carry out other related duties as assigned.

4.05.01 The classifications of Avionics Shop, Mechanical Shop and Sheet Metal Shop will be phased-out with the work being performed by employees in the appropriate Technical 1 classification. As a result, the following will apply during the term of this Agreement with respect to these classifications. It is agreed however, that any employee who is in one of these classifications as of December 7, 2001 may continue to work in that classification if they so desire.

- (a) Any vacancy which is filled following December 7, 2001 will be filled by an employee possessing the qualifications necessary to fill a Technical 1 classification ("M", "E" or "S" as appropriate), with the employee's position in the classification determined under Article 4.02.
- (b) Any employee in one of these classifications as of December 7, 2001 will have until the expiry of this Agreement in which to obtain the qualifications necessary for a position under a Technical 1 classification. This period is to provide current employees with the ability to move into a Technical 1 classification with the benefit of (d) below. If the employee does not obtain the necessary qualifications during this period, they would remain in their position under Technical 2 and would be subject to the normal provisions of this Agreement governing movement between Technical 1 and 2 classifications.
- (c) Any employee in one of these classifications who has, or who obtains, the qualifications necessary for a position under a Technical 1 classification will be reclassified under the position in the Technical 1 classification for which they qualify upon advice to the Company. Such move will be effected on or before the eighth (8<sup>th</sup>) day following the employee's receipt and submission of the appropriate licensing documents.
- (d) An employee who moves into a Technical 1 classification in accordance with these provisions will, notwithstanding the provisions of Article 10.01, be permitted to carry their classification seniority with them into the Technical 1 classification.
- (e) For the purposes of (b) through (d) above, successful completion of the ICS program will be recognized.

4.06 Notwithstanding the foregoing, and acknowledging that the methods used for accomplishing the work of scope employees might change from time to time, the work performed by scope employees will continue to be scope duties and functions as long as there is a requirement for that work to be done.

4.07 The Company and the Union may, by mutual agreement, combine any of the classifications or positions described in this Article 4 or create new classifications or positions. In this event, the Union may open the Agreement for the purpose of negotiating the job description and rates of pay for the affected classification(s) or position(s), unless the change occurs within ninety (90) days prior to the termination of the Agreement, in which case the new job description and rates of pay will become a part of the normal bargaining process.

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**Article 5 - Rates of Pay, Premiums, Pay Provisions, Time Records**

5.01 Wages paid to employees will be based on length of employment and on the work performed in the classifications covered by this Agreement.

5.01.01 Subject to relevant qualifications, the Company may, at its discretion, commence a new employee on the applicable wage scale as follows:

- Non-certifying Engineer - At any level.
- Certifying Engineer - At any level up to and including the 48-60 month level
- All others - At any level except the top level.

5.02 Scheduled advancement from one rate of pay to the next higher rate of pay in the wage scale established for each position will occur upon completion of the period described in each wage scale, except as may be otherwise specifically provided for in this Agreement.

5.02.01 Once an employee is assigned to a pay scale for a position, advancement in pay will be in accordance with the time progression contained in the scale for the position unless:

- (a) the employee fails to take advantage of an endorsement course, relevant to the duties of their position, which is offered by the Company, or,
- (b) the employee fails to successfully complete an endorsement course, relevant to the duties of their position, which is offered by the Company.
- (c) having successfully completed the endorsement course, the employee fails to add the endorsement to their ACA.

Provided that the circumstances described in (a) or (b) did not occur as a result of the employee's absence due to vacation, leave of absence (except personal leave), sick leave, work injury or other bona fide reasons acceptable to the Company.

If the circumstances in (a), (b) or (c) apply, the employee will be held at the level on the pay scale they were at when (a), (b) or (c) occurred until such time as they successfully complete the course they either failed to take advantage of or failed to successfully complete and/or adds the endorsement to their ACA.

In no event will an employee's rate of pay or advancement in pay be affected as a result of the Company not offering an endorsement course.

5.02.02 The foregoing will also apply in the application of Article 19.10.01 (Changes in Equipment, Work Processes or Licensing) if the Company changes the equipment used or operated or changes work processes or if licensing requirements are changed provided such change is relevant to the duties of the employee's position. However, an employee who is at the top rate of pay in their pay scale will be reverted to the next lower rate of pay in their pay scale if the circumstances provided for in Article 5.02.01 apply and that lower rate of pay will be paid until such time as the employee successfully completes the course and adds the endorsement to their ACA.

5.03 When an employee changes classification or progresses to another position, the employee's new rate of pay will be determined by moving the employee to the rate of pay in the new wage scale which is closest to their current rate of pay; however, if the new rate is less than what the employee was receiving, the employee will be advanced to the next higher level of the new scale. Scheduled advancement will continue in accordance with Article 5.02 without interruption.



5.04 The following are the rates of pay for all classifications/positions covered by this Agreement.

*11, R. 5.1*

**Technical 1**

Certifying Engineer	Oct 1, 2001	Dec 1, 2001	Dec 1, 2002
84+ months			29.94
72 - 84 months		28.50	29.21
60 - 72 months		27.80	28.50
48 - 60 months	27.12	27.12	27.8
36 - 48 months	25.47	25.47	26.11
24 - 36 months	24.40	24.40	25.01
12 - 24 months	22.97	22.97	23.54
6 - 12 months	21.88	21.88	22.43
0 - 6 months	20.84	20.84	21.36

Certifying Engineer	Employees hired after Aug 1, 2003
84+ months	26.95
72 - 84 months	26.29
60 - 72 months	25.65
48 - 60 months	25.02
36 - 48 months	23.50
24 - 36 months	22.51
12 - 24 months	21.19
6 - 12 months	20.19
0 - 6 months	19.22

Non-Certifying Engineer	Oct 1, 2001	Dec 1, 2001	Dec 1, 2002
5 <sup>th</sup> year +	23.33		
4 <sup>th</sup> year	22.12		
3 <sup>rd</sup> year	21.04	24+ mo	23.33 23.91
2 <sup>nd</sup> year	19.47	12-24 mo	22.12 22.67
2 <sup>nd</sup> 6 months	18.30	6-12 mo	21.04 21.57
1 <sup>st</sup> 6 months	17.72	0-6 mo	19.47 19.96

Non-Certifying Engineer	Employees hired after Aug 1, 2003
24+ mo	21.52
12-24 mo	20.40
6-12 mo	19.41
0-6 mo	17.96

Apprentice Engineer	Oct 1, 2001	Dec 1, 2001	Dec 1, 2002
30+ months	16.79	24+ mo 18.30	18.76
24 months	16.07	18-24 mo 17.72	18.16
18 months	14.65	12-18 mo 16.79	17.21
12 months	13.32	6-12 mo 16.07	16.47
6 months	12.11	0-6 mo 14.65	15.02

Apprentice Engineer	Employees hired after Aug 1, 2003
24+ months	16.88
18-24 months	16.34
12-18 months	15.49
6-12 months	14.82
0-6 months	13.52

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Upholsterer	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	19.04	19.52
4 <sup>th</sup> year	18.32	18.78
3 <sup>rd</sup> year	17.60	18.04
2 <sup>nd</sup> year	16.88	17.30
2 <sup>nd</sup> 6 months	16.16	16.56
1 <sup>st</sup> 6 months	15.44	15.83

Upholsterer	Employees hired after Aug 1, 2003
48+ months	17.57
36 - 48 months	16.90
24 - 36 months	16.24
12 - 24 months	15.57
6 - 12 months	14.90
0 - 6 months	14.25

Painter	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	22.14	22.69
4 <sup>th</sup> year	20.76	21.28
3 <sup>rd</sup> year	19.37	19.85
2 <sup>nd</sup> year	17.98	18.43
2 <sup>nd</sup> 6 months	16.78	17.20
1 <sup>st</sup> 6 months	16.13	16.53

Painter	Employees hired after Aug 1, 2003
48+ months	20.42
36 - 48 months	19.15
24 - 36 months	17.87
12 - 24 months	16.59
6 - 12 months	15.48
0 - 6 months	14.88

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Storeperson	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	16.83	17.25
4 <sup>th</sup> year	15.68	16.07
3 <sup>rd</sup> year	13.89	14.24
2 <sup>nd</sup> year	13.41	13.75
2 <sup>nd</sup> 6 months	12.01	12.31
1 <sup>st</sup> 6 months	11.02	11.30

Storeperson	Employees hired after Aug 1, 2003
48+ months	15.53
36 - 48 months	14.46
24 - 36 months	12.82
12 - 24 months	12.38
6 - 12 months	11.08
0 - 6 months	10.17

Ground Equipment Mechanic	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	22.14	22.69
4 <sup>th</sup> year	20.76	21.28
3 <sup>rd</sup> year	19.37	19.85
2 <sup>nd</sup> year	17.98	18.43
2 <sup>nd</sup> 6 months	16.78	17.20
1 <sup>st</sup> 6 months	16.13	16.53

Ground Equipment Mechanic	Employees hired after Aug 1, 2003
36 - 48 months	19.15
24 - 36 months	17.87
12 - 24 months	16.59
6 - 12 months	15.48
0 - 6 months	14.88

7.2

Ground Equipment Mechanic Apprentice	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	14.49	14.85
4 <sup>th</sup> year	13.78	14.12
3 <sup>rd</sup> year	12.50	12.81
2 <sup>nd</sup> year	12.16	12.46
2 <sup>nd</sup> 6 months	11.83	12.13
1 <sup>st</sup> 6 months	11.49	11.78

Ground Equipment Mechanic Apprentice	Employees hired after Aug 1, 2003
48+ months	13.37
36 - 48 months	12.71
24 - 36 months	11.53
12 - 24 months	11.21
6 - 12 months	10.92
0 - 6 months	10.60

Ground Equipment unlicensed Mechanic	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	19.04	19.52
4 <sup>th</sup> year	17.85	18.30
3 <sup>rd</sup> year	16.66	17.08
2 <sup>nd</sup> year	15.46	15.85
2 <sup>nd</sup> 6 months	14.43	14.79
1 <sup>st</sup> 6 months	13.87	14.22

Ground Equipment unlicensed Mechanic	Employees hired after Aug 1, 2003
48+ months	17.57
36 - 48 months	16.47
24 - 36 months	15.37
12 - 24 months	14.27
6 - 12 months	13.31
0 - 6 months	12.80

Welder	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	24.41	25.02
4 <sup>th</sup> year	22.92	23.49
3 <sup>rd</sup> year	21.96	22.51
2 <sup>nd</sup> year	20.67	21.19
2 <sup>nd</sup> 6 months	19.69	20.18
1 <sup>st</sup> 6 months	18.76	19.23

Welder	Employees hired after Aug 1, 2003
48+ months	22.52
36 - 48 months	21.14
24 - 36 months	20.26
12 - 24 months	19.07
6 - 12 months	18.16
0 - 6 months	17.31

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Welder Apprentice	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	14.49	14.85
4 <sup>th</sup> year	13.78	14.12
3 <sup>rd</sup> year	12.50	12.81
2 <sup>nd</sup> year	12.16	12.46
2 <sup>nd</sup> 6 months	11.83	12.13
1 <sup>st</sup> 6 months	11.49	11.78

Welder Apprentice	Employees hired after Aug 1, 2003
36 - 48 months	12.71
24 - 36 months	11.53
12 - 24 months	11.21
6 - 12 months	10.92
0 - 6 months	10.60

Machinist	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	24.41	25.02
4 <sup>th</sup> year	22.92	23.49
3 <sup>rd</sup> year	21.96	22.51
2 <sup>nd</sup> year	20.67	21.19
2 <sup>nd</sup> 6 months	19.69	20.18
1 <sup>st</sup> 6 months	18.76	19.23

Machinist	Employees hired after Aug 1, 2003
48+ months	22.52
36 - 48 months	21.14
24 - 36 months	20.26
12 - 24 months	19.07
6 - 12 months	18.16
0 - 6 months	17.31

7. R

Machinist Apprentice	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	14.49	14.85
4 <sup>th</sup> year	13.78	14.12
3 <sup>rd</sup> year	12.50	12.81
2 <sup>nd</sup> year	12.16	12.46
2 <sup>nd</sup> 6 months	11.83	12.13
1 <sup>st</sup> 6 months	11.49	11.78

Machinist Apprentice	Employees hired after Aug 1, 2003
48+ months	13.37
36 - 48 months	12.71
24 - 36 months	11.53
12 - 24 months	11.21
6 - 12 months	10.92
0 - 6 months	10.60

NDT Technician	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	27.12	27.80
4 <sup>th</sup> year	25.47	26.11
3 <sup>rd</sup> year	24.40	25.01
2 <sup>nd</sup> year	22.97	23.54
2 <sup>nd</sup> 6 months	21.88	22.43
1 <sup>st</sup> 6 months	20.84	21.36

NDT Technician	Employees hired after Aug 1, 2003
48+ months	25.02
36 - 48 months	23.50
24 - 36 months	22.51
12 - 24 months	21.19
6 - 12 months	20.19
0 - 6 months	19.22

Avionics Shop Technician	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	23.33	23.91
4 <sup>th</sup> year	22.12	22.67
3 <sup>rd</sup> year	21.04	21.57
2 <sup>nd</sup> year	19.47	19.96
2 <sup>nd</sup> 6 months	18.30	18.76
1 <sup>st</sup> 6 months	17.72	18.16

Avionics Shop	Employees hired
48+ months	21.52
36 - 48 months	20.40
24 - 36 months	19.41
12 - 24 months	17.78
6 - 12 months	16.88
0 - 6 months	16.34

Mechanical Shop Technician	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	22.14	22.69
4 <sup>th</sup> year	20.76	21.28
3 <sup>rd</sup> year	19.37	19.85
2 <sup>nd</sup> year	17.98	18.43
2 <sup>nd</sup> 6 months	16.78	17.20
1 <sup>st</sup> 6 months	16.13	16.53

Mechanical Shop Technician	Employees hired after Aug 1, 2003
48+ months	20.42
36 - 48 months	19.15
24 - 36 months	17.87
12 - 24 months	16.59
6 - 12 months	15.48
0 - 6 months	14.88

Furnishings	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	22.14	22.69
4 <sup>th</sup> year	20.76	21.28
3 <sup>rd</sup> year	19.37	19.85
2 <sup>nd</sup> year	17.98	18.43
2 <sup>nd</sup> 6 months	16.78	17.20
1 <sup>st</sup> 6 months	16.13	16.53

Sheet Metal Shop Technician	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	23.33	23.91
4 <sup>th</sup> year	22.12	22.67
3 <sup>rd</sup> year	21.04	21.57
2 <sup>nd</sup> year	19.47	19.96
2 <sup>nd</sup> 6 months	18.30	18.76
1 <sup>st</sup> 6 months	17.72	18.16

Shop Helper/Cleaner	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	16.09	16.49
4 <sup>th</sup> year	14.89	15.26
3 <sup>rd</sup> year	13.71	14.05
2 <sup>nd</sup> year	12.53	12.84
2 <sup>nd</sup> 6 months	11.35	11.63
1 <sup>st</sup> 6 months	10.17	10.42

Hangar Attendant	October 1, 2001	December 1, 2002
5 <sup>th</sup> year +	16.09	16.49
4 <sup>th</sup> year	14.89	15.26
3 <sup>rd</sup> year	13.71	14.05
2 <sup>nd</sup> year	12.53	12.84
2 <sup>nd</sup> 6 months	11.35	11.63
1 <sup>st</sup> 6 months	10.17	10.42

Furnishings	Employees hired after Aug 1, 2003
48+ months	20.42
36 – 48 months	19.15
24 – 36 months	17.87
12 – 24 months	16.59
6 – 12 months	15.48
0 – 6 months	14.88

Sheet Metal Shop Technician	Employees hired after Aug 1, 2003
48+ months	21.52
36 – 48 months	20.40
24 – 36 months	19.41
12 – 24 months	17.96
6 – 12 months	16.88
0 – 6 months	16.34

Shop Helper/Cleaner	Employees hired after Aug 1, 2003
48+ months	14.84
36 – 48 months	13.73
24 – 36 months	12.65
12 – 24 months	11.56
6 – 12 months	10.47
0 – 6 months	9.38

Hangar Attendant	Employees hired after Aug 1, 2003
48+ months	14.84
36 – 48 months	13.73
24 – 36 months	12.65
12 – 24 months	11.56
6 – 12 months	10.47
0 – 6 months	9.38

**Note 1:** In accordance with the supplementary arbitration award of December 14, 2001, a lump sum payment of 3% of earnings, less applicable deductions, will be paid to those employees of AirBC on the payroll as at the date of the supplementary award, for the period of March 1, 2001 to September 30, 2001.

**Note 2:** There will be no progression up the wage scales for a one (1) year period, commencing on April 1, 2003 and expiring March 31, 2004 inclusive. After this one (1) year freeze on wage steps, employees will be entitled to receive their step increments commencing on the second anniversary of their last increment date. Employees will not receive credit towards a step increase for the one (1) year freeze period.

5.05 **Premiums**

5.05.01 **Crew Chief Premium:**

**Technical 1** - Employees filling a Crew Chief position in Technical 1 will be paid an hourly premium of one dollar and seventy-five cents (\$1.75) per hour and any other applicable premiums in addition to their basic pay. In the event there are other employees in the location below the position of Crew Chief who are on a higher basic rate of pay than the employee in the Crew Chief position, the Crew Chief will then receive a premium which is equal to the one dollar and seventy-five cents (\$1.75) per hour plus the difference between their hourly rate and the highest hourly rate that is being paid in that location.

**Technical 2** - Employees filling a Crew Chief position in Technical 2 will be paid an hourly premium equal to one dollar and seventy-five cents (\$1.75) and any other applicable premiums in addition to their basic pay. In the event there are other employees in the location below the position of Crew Chief who are on a higher basic rate of pay than the employee in the Crew Chief position, the Crew Chief will then receive a premium which is equal to the one dollar and seventy-five cents (\$1.75) hourly premium plus the difference between their hourly rate and the highest hourly rate that is being paid in that location.

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**Note:** Any current Crew Chief (as of December 7, 2001) who is receiving a premium higher than the amount above shall continue to receive the higher premium.

**Note:** The Crew Chief premium will be paid to Engineers working at the Toronto Island location, including employees on relief assignments who are replacing an employee who is receiving the premium.

5.05.02 Crew Chief premiums will be included in the calculation of an employee's regular pay or regular rate of pay under this Agreement for those employees holding permanent positions. Employees assigned temporarily to these positions pursuant to the provisions of Article 8 will be paid the premium only for the number of hours they are so assigned.

5.06 **Pay Provisions**

5.06.01 Employees will be paid on a semi-monthly basis.

5.06.02 Recovery of pay errors will be limited to those errors which occurred during the twelve (12) calendar month period immediately preceding the discovery of the error.

5.06.03 When the error requires a payment by the employee, equal deductions will be made on each pay cheque over a six month period and, except for the residual balance, each deduction will not be less than ten dollars (\$10.00) or such larger amount as requested by the employee. In the event the employee's service with the Company is terminated, all monies due to the Company will be deducted from the final pay cheque.

5.06.03.01 Prior to any debits being initiated by the Company, the employee will be advised, in writing, of the error, the number of deductions to be made, the amount of each deduction and when the deductions will commence.

5.06.04 When an error involves an underpayment to an employee in the amount of one hundred dollars (\$100.00) or more, the Company will make restitution within three (3) working days following the receipt of notice and verification of the underpayment. If the underpayment is less than one hundred dollars (\$100.00), such error will be rectified and paid to the employee on the next regular

pay following verification. Verification will be completed as quickly as possible but within three (3) business days of the employee reporting the error.

If an employee does not receive their pay within two (2) days of the pay day due to a fault in the Company's payroll system, the Company will make emergency funds available to the employee on request.

5.06.05 Each pay date employees will be provided with a pay statement clearly identifying all credits/debits made, time bank withdrawals, time bank balance and vacation balance. Other relevant information will be included as the system is developed.

5.07 **Pay and Time Records** - Accurate time records will be maintained for each employee which will be made available on request to the employee. Accurate pay records will also be maintained for each employee and will be made available on request to the employee and to a Union Officer when authorized by the employee in writing.

**Article 6 - Hours of Work**

6.01 The work day for employees will be determined by the hours of work schedule outlined in Article 6.02.

6.02 The working week will average forty (40) hours which will be accomplished by various work schedules, as follows:

8. a. 1 / 40  
 8. a. 2 / 40  
 8. b. 1. 7  
 8. b. 2. 7  
 8. b. 1. 3  
 8. b. 2. 3

Schedule	Hours paid	Hours Worked/Hours on Shift		
		Day Shift	Afternoon Shift	Night & Midnight Shift
5 days on 2 days off	8	8.0/8.5	8.0/8.5	Not used for Night or Midnight Shifts
4 days on 3 days off	10	10.0/10.5	10.0/10.5	
5 days on 4 days off	10.3	10.3/10.8	10.3/10.8	
3 days on 3 days off	11.4	11.4/12.0	11.4/12.0	
4 days on 4 days off	11.4	11.4/12.0	11.4/12.0	11.4/12.0
5 days on 5 days off	11.4	11.4/12.0	11.4/12.0	11.4/12.0
7 days on 7 days off	11.4	11.4/12.0	11.4/12.0	11.4/12.0

Note: All twelve (12) hour shifts will have a thirty-six (36) minute unpaid meal period.

6.02.01 Where it is mutually agreed between the Company and Union District Chairperson that the work schedules as provided for under Article 6.02 are not practical or desirable, the schedule may be varied. Any such variation will be detailed in a letter and can be cancelled by the Company or the Union at any time.

6.02.02 **Voluntary Reduced Work Week Schedules** - Where requirements permit, reduced work week schedules involving less than the forty (40) hours per week average may be developed by mutual agreement between the Company and the Union District Chairperson. Agreements on reduced work week schedules will be detailed in a letter setting out the specifics of the schedule and its duration. Such agreements will be subject to cancellation by the Company or the Union at any time with forty-five (45) calendar days advance notice.

Assignment of an employee to a reduced work week schedule will be on a voluntary bid basis and no employee will be forced to work a reduced work week schedule.

6.03 **Shift Definitions:**

**Day Shift** - will be any shift which starts on or after 0600 hours but before 1200 hours.

**Afternoon Shift** - will be any shift which starts on or after 1200 hours but before 1900 hours.

**Night Shift** - will be any shift which starts on or after 1900 hours but before 0600 hours.

**Midnight Shift** - will be any shift which includes a full four (4) consecutive hours worked during the period between midnight and 0500 hours.

6.04 **Shift Schedules** - will be developed in accordance with the following:

6.04.01 At each location the Company will determine the staff requirements for each classification and position and will review those requirements and the proposed schedule with the Union District Chairperson.

6.04.02 Discussions relative to shift schedules will commence no later than thirty (30) calendar days prior to any change being implemented unless there is mutual agreement between the Company and the Union District Chairperson.

6.04.03 Shift schedules will be posted at least fourteen (14) calendar days, or shorter period by mutual agreement between the Company and the Union District Chairperson, prior to implementation and will continue in effect until a change is requested by the Company or the Union District Chairperson in which case the procedures described in Articles 6.04.01 and 6.04.02 will be followed.

6.04.04 Shift Schedules will meet the staff requirements and any difference between the established staff requirements and staff availability will be resolved so that shift schedules may be developed. All shift schedules will conform to the requirements of Article 6.02.

6.04.05 Unless otherwise agreed between the Union District Chairperson and Company in a location, between September 1 and 15 each year all shift schedules will be opened for seniority bid in each location. Each position will bid separately. Shift schedules resulting from these bids will be posted as soon as possible following the end of the bid period, but prior to the vacation selection period, and will be effective January 1 of the following year. The provisions of Article 6.05 will not apply however, employees will not be credited for time gained or debited for time lost as a result of a change to their shift schedule. Adjustments to an individual employee's schedule resulting from a bid will be handled through a transition period designed to ensure there is a minimal loss or gain in hours. Such adjustments will be made only following consultation with the Union District Chairperson.

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6.05 **Change of Shift or Days On and Days Off**

6.05.01 The provisions of this Article 6.05 are intended to be used solely to cover the scheduled or unscheduled absence of employees within the scope of the Agreement and in the base due to sick leave, maternity leave, child care leave compassionate leave, bereavement leave and time off for Union Business. In addition, an employee's scheduled shift(s) or scheduled shift(s) starting time or scheduled day(s) on/day(s) off may be altered to meet training requirements, including the training of another employee. These provisions will only be used when the change is for a minimum of three (3) workdays, otherwise it will be considered overtime and will be handled as such.

- 6.05.02 Where more than one employee is available to provide the necessary coverage, the assignment will be offered in order of classification seniority. If there are insufficient volunteers it will be assigned in inverse order of classification seniority amongst the available employees.
- When various training dates are available for required training, employees will be allowed their choice of dates in order of seniority subject to operational requirements.
- 6.05.03 Employees will be provided with as much personal notice as possible but no less than three (3) clear calendar days notice for a change of shift and no less than seven (7) clear calendar days notice of a change of days off.
- These minimum notice periods may be reduced with the agreement of the employee affected if there are no other employees available or willing to accept overtime. Employees will not be penalized for refusing to work a revised schedule when the required minimum notice is not provided.
- Where the employee agrees to accept less than the required minimum notice they will be paid at a minimum of time and one-half times (1½X) for all hours worked during the minimum notice period.
- 6.05.04 Employees who have their schedule changed under this Article 6.05 with the result that they work on a scheduled day off will be granted one (1) day off for each such day worked to be taken at a time mutually agreeable to the Company and the employee but in any case within thirty (30) calendar days of the day worked and in conjunction with scheduled days off.
- 6.05.05 When an employee changes their shift schedule, location, base, or classification under the provisions of Article 10 or Article 12, the Company may change that employee's shifts or days off. The minimum notice periods provided for in Article 6.05.03 will apply and the employee will be provided with detailed orders in writing, copies to the Union District Chairperson.
- 6.05.06 Where a vacation relief position is included in the staff requirements in a base it is agreed that, any time vacation or other relief is not required, the employee in the vacation relief position may, subject to the necessary notice required under Article 6.05.03, be used to cover time bank requests made pursuant to Article 14.03.
- 6.06 **Shift and Shift Schedule Changes**
- 6.06.01 No employee will be adversely effected as to pay and/or days off when shift or shift schedule changes are initiated by the Company. The Company will compute such effect for the period of time the employee was working on the shift schedule and the employee will be credited at the rate of one and one-half times (1½X) for all time gained by which their scheduled hours exceeded the standard work week. The computation will cover the period between any changes.
- 6.07 **Meal Periods**
- 6.07.01 Meal periods will be of thirty (30) minutes duration to be taken away from the job during the hours on shift in Article 6.02.
- 6.07.02 One (1) meal period will be scheduled in each shift within one and one-half (1½) hours on either side of the midpoint of each shift unless otherwise arranged according to the wishes of the majority of the employees involved.



6.07.03 It is recognized that occasionally due to the requirements of the service, the employee will be unable to take the meal period at the scheduled time. In such cases the meal period will be taken at a time available during the period provided for in Article 6.07.02. If this is not possible, the employee may elect to take the meal period at some other time during the balance of the shift agreeable to the Company or forego the meal period and claim an overtime credit in lieu thereof.

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6.07.04 An employee who works more than two (2) hours overtime prior to or after their shift will be provided with an additional meal period and will receive the lunch meal allowance provided for in Article 19.06.02 supported by an expense claim. An additional meal period and allowance will be granted for each additional four (4) hours worked. Such meal periods will be unpaid.

6.07.05 Employees who report to work overtime will be provided with a meal period. Employees who work more than eleven (11) hours on overtime will be provided with an additional meal period and will receive the lunch meal allowance provided for in Article 19.06.02 supported by an expense claim. Such meal periods will be unpaid.

6.07.06 An employee who is unable to take a meal period granted under the provisions of Article 6.07.04 or 6.07.05 will be credited with thirty (30) minutes at the applicable overtime rate.

#### 6.08 Rest Periods

6.08.01 Rest periods will be paid and will be of fifteen (15) minutes duration to be taken on Company time away from the job.

6.08.02 Two (2) rest periods will be scheduled in each shift. A rest period will be scheduled in each half of that shift but not in conjunction with the meal period nor the start or termination of a shift and it will be scheduled in such a manner as to provide the benefits for which it is intended.

6.08.03 In the event that an employee is unable to take a rest period at the scheduled time, due to the requirements of the service, the rest period will be taken at a time available during the hour following the originally scheduled commencement. If this is not possible, the employee may elect to have the rest period rescheduled at some other time during the balance of the shift agreeable to the Company or forego the rest period and claim an overtime credit in lieu thereof.

6.08.04 Employees who work overtime will be granted a rest period in each overtime period of two (2) to four (4) hours. Employees who report to work overtime which is not consecutive with their shift will be granted a rest period in each overtime period of up to four (4) hours and in each subsequent period of two (2) to four (4) hours.

6.08.05 An employee who is unable to take any rest period granted in accordance with Article 6.08.03 or 6.08.04 will be credited in the amount of the rest period at the applicable overtime rate.

6.09 **Off Duty Period** - All scheduled shifts for an employee will contain periods of not less than nine (9) consecutive hours off duty between the termination of one shift and the start of the next shift. Where an employee works sixteen (16) or more hours, the off duty period will be not less than eleven (11) consecutive hours.

6.09.01 If, at the request of the Company, an employee does not have the minimum hours off duty prior to the start of their overtime or scheduled shift, either they will choose not to report for duty until the minimum hours off duty have elapsed (without time debit) or they will report for the overtime or scheduled shift and be credited with one and one-half time (1 ½ X), plus regular pay for those hours by which their off duty time is less than the minimum.

- 6.09.02 The provisions of Article 6.09 will not apply in situations which occur as a result of a shift trade.
- 6.09.03 When on an out of base assignment, if an employee is requested by management to resume duty before their off duty period is complete, the employee will be considered to have been on continuous duty until such time as they have commenced the subsequent off duty period. However, the employee has the right to decline the request and complete the remainder of their off duty period.
- 6.09.04 If requested by the employee, the Company will provide transportation to the place the employee normally resides during their scheduled shift and return for any employee working eighteen (18) or more consecutive hours.
- 6.10 **Shift Trades** - Employees will have the right to trade shifts and days off or to arrange for another employee to work their shift or part of their shift when arranged in written form and approved by Management. Shift trades are subject to the following conditions.
- 6.10.01 The employee covering the shift must be qualified to perform the work.
- 6.10.02 All time credits for the scheduled duration of the shift will be credited to the employee originally scheduled to work the shift.
- 6.10.03 All premiums will be credited to the employee who actually works.
- 6.10.04 Holiday credits applicable to the shift will be credited to the employee who actually works. The employee originally scheduled to work the shift will receive the holiday credits applicable to a day off.
- 6.10.05 All overtime credits will be credited to the employee who actually works the overtime.
- 6.10.06 All time debits will be deducted from the employee who has agreed to work the shift.
- 6.10.07 Sick leave provisions will apply to the employee who has agreed to work the shift.
- 6.10.08 Employees will record cancellation of shift trades in advance.
- 6.10.09 The Company and Union recognize that an employee's ability to trade shifts with other employees is acceptable but it is not intended to allow employees to be absent from the workplace for extended periods of time nor to take alternate employment.

#### **Article 7 - Overtime**

- 7.01 All time worked by an employee outside of their scheduled shift will be considered overtime.
- 7.02 Except as described herein, overtime work will be done on a voluntary basis and will be authorized by management personnel. Employees may be requested to remain beyond their regular shift for up to one (1) hour in order to complete the job they were working on, or to inform others of the status of the job being performed. In addition to the foregoing, in an A.O.G. situation out of base, employees may be required to remain beyond the one (1) hour extension of their shift.
- 7.03 Hours worked by an employee consecutive with the scheduled shift will be credited at one and one-half times (1½ X). Overtime of three (3) or more hours prior to and consecutive with the start of a shift will be credited for a minimum of four (4) hours at one and one-half times (1 ½ X). Overtime of any length, which

is not consecutive with the employee's shift, will be credited with a minimum of four (4) hours at one and one-half times (1 ½ X).

7.04 An employee who works on any scheduled day off will be credited at one and one-half times (1 ½X) the hours worked with a minimum credit of four (4) hours at the overtime rate.

7.05 An employee who is called to work on a scheduled day off which is a holiday shall be paid one and one-half times (1 ½ X) the regular hourly rate, for all hours worked.

7.06 Overtime prior to or following and in conjunction with a scheduled shift will first be offered to employees on duty in order of classification seniority, subject to Article 7.02. This overtime will be subject to qualifications, safety considerations and continuity of operations.

7.07 Overtime which is not filled according to Article 7.06 will be distributed as equitably as possible among the employees who normally perform the work.

Employees will indicate their availability for overtime and the most senior employee qualified to do the work with the least amount of overtime hours who has indicated their availability will be the first offered the overtime with subsequent offers being made to other employees on the same basis. Employees will be called for overtime as per the applicable list and (except for AOG or short notice immediate requirements) there will be a one (1) hour wait for a reply when a message is left.

The Company will keep posted up to date records of all overtime work for the purpose of equal distribution on a monthly basis. All employees will have their overtime equalization hours reset to zero on April 1st and October 1<sup>st</sup>. Notwithstanding these provisions, the Company and Union District Chairperson may mutually agree on a different system for the distribution of overtime for a particular base or location.

9, b 7.08 All overtime credits will be directed to the employee's time bank provided for in Article 14.

7.09 The Company will provide an employee with written notification and explanation of any change in overtime submitted within five (5) regular business days of the employee's submission of the overtime.

#### **Article 8 - Relief and Special Assignments**

8.01 Selection of employees for relief and special assignments will be on the basis of the most senior volunteer available in the appropriate classification from the base(s)/location(s) as selected by the Company, subject to the following, providing the employee meets the requirements/qualifications required for the relief or special assignment. For relief/special assignments under Article 8.03.01 or 8.03.02 which are fourteen (14) days or longer, the Union Bargaining Committee Chairperson will be advised, in writing or by e-mail and in advance where possible, including the details of the assignment.

8.02 **Relief Assignments** - Employees may be offered assignments to replace another employee in accordance with the following:

11, d. 5 8.02.01 **Crew Chief** - An employee who is assigned, temporarily, to relief duties as a Crew Chief, or to perform the duties of a Crew Chief during periods when a Crew Chief is not scheduled to work, will be paid the premium provided for in Article 5.05.01. Selection will be made from those employees the Crew Chief normally supervises.

8.02.02 **Out of Base** - An employee who accepts a relief assignment outside their regular base will receive expenses and allowances as described in Article 19.06. Travel to and from the assignment will be in accordance with Article 8.04. Assignments will normally be offered first within the support base closest to the base in which the relief opportunity will occur.

- 8.03 **Special Assignments** - Employees may be offered assignments which are not relief assignments in accordance with the following:
- 8.03.01 **Charter Flights** - Employees who accept an assignment to a charter flight will receive expenses and allowances as described in Article 19.06. Travel to and from and during the assignment will be in accordance with Article 8.04. Assignments will be offered first within the base from which the flight crew is being drawn or from which the charter flight is departing.
- 8.03.02 **Out of Base** - Employees who accept an assignment outside their regular base will receive expenses and allowances as described in Article 19.06. Travel to and from the assignment will be in accordance with Article 8.04. In addition, should the assignment be **to** a location where no employee covered by this Agreement is employed, and where there is a minimum of four (4) weeks advance notice, the opportunity will be offered system-wide. Where there is less notice, the assignment will be offered from the base/location selected by the Company.
- 8.03.03 **Out of Base - AOG Assignments** - When the assignment involves an AOG situation, the following provisions will apply in addition to the provisions of Article 8.03.02:
- (a) The Company will determine the base/location from which the employee(s) will be drawn. Selection will be on the basis of the most senior employee in the required classification who is on shift.
  - (b) The Company will retain a supply of petty cash in the major bases. At the request of the employee, and subject to availability, employees will be provided with a \$75.00 cash advance prior to leaving their base. When travel is outside Canada, the cash advance will be provided in **US** currency. Employees will be required to reconcile the advance within fourteen (14) days of return from the assignment.
  - (c) Employees will be allowed reasonable expenses incurred when they require transportation (e.g. taxi) to get a meal if cafeteria services are not available at the airport. Receipts must accompany any claim for such transportation.
  - (d) When an employee works in excess of two (2) hours beyond the dinner period described in Article 19.06, they will be entitled to an additional lunch meal allowance with a further lunch meal allowance being provided for each additional four (4) hours thereafter.
- 8.03.04 **Training Instructor** - Positions involving the training of bargaining unit employees may be offered for up to an accumulated total of seventy-five (75) working days per employee in any calendar year. The availability of such assignments will be posted and will outline the particulars of the assignment including the date(s), hours and travel which would be involved. Selection according to Article 8.01 will be from the base in which the training will be taking place or, if the position will involve training in a number of bases, will be system-wide. The Company will assess the ability of the employee who accepts the assignment to do the job during an appropriate trial period not to exceed 10 working days in a functional trainer/facilitator capacity. Employees who accept an assignment will be subject to having their shift schedule revised in order to satisfy the training schedule but such revisions will be subject to the provisions of Articles 6.05.03 and 6.05.04. Where the employee accepts an assignment outside of their regular base, the employee will receive expenses and allowances as described in Article 19.06 and travel **to** and from the assignment will be in accordance with Article 8.04. The employee involved and the Union District Chairperson will be advised in writing of any assignment under this Article.
- 8.03.05 **Temporary Supervisor** - When there is normally a Supervisor present and the Company designates an employee to act in the capacity as a Temporary Supervisor, the employee will receive an hourly premium

of one dollar (\$1.00). When required to cover the absence of a Supervisor, the Company may offer a Temporary Supervisor position in accordance with the following:

- (a) The duties will be offered on a voluntary basis and in order of seniority amongst the Crew Chiefs on shift at the time of the occurrence.
- (b) Employees who have assumed the duties of a Temporary Supervisor will not be involved in the discipline or discharge of any other employee.
- (c) No disciplinary action will be taken for errors or omissions while the employee has assumed the duties of a Temporary Supervisor except where the Company establishes, pursuant to the provisions of Article 16.12, that the error or omission resulted from the irresponsible or negligent actions of the employee.

8.04 **Travel** - Travel to and from a relief or special assignment, or for training, will be in accordance with the following:

8.04.01 Travel time will be considered time worked and is subject to the minimum credits under Article 7. If the employee is travelling by air, travel time will be based on the scheduled departure time and the actual arrival time of the flight(s), including connection time and a combined total of one (1) hour for pre-flight and post-flight ground time.

8.04.02 In the event an employee travels on a holiday, travel time credits will be added to those hours credited in accordance with Article 13.

8.04.03 An employee who travels on a scheduled day on will not be debited if travel time is less than their scheduled shifts.

8.04.04 All travel not requested by the Company will be done on the employee's own time.

8.04.05 The Company will provide the employee with positive space air transportation to and from the assignment. Subject to Company policy, when flying on Company aircraft this will be with space available "J" class or similar upgrade. When flying on another carrier's aircraft, this will be with "J" class or similar upgrade when made available by the carrier. The provision of additional air transportation during the assignment will be subject to agreement between the Company and the employee concerned. Travel on an unpressurized aircraft under 12,500 pounds or on a single pilot operation can be declined by the employee in which case alternate transportation will be arranged.

8.04.06 An employee may, if requested or authorized by the Company, utilize a Company vehicle for the purposes of travelling to and/or from an assignment. Such travel may also include the transportation of parts and/or equipment to be used by the employee during the assignment.

8.04.07 Subject to prior mutual agreement between the Company and the employee, the employee may use their own transportation to travel to and from an assignment. However, such use will not include a use which would void the employee's insurance. The employee will receive automobile expenses at 30¢ per kilometre, or such greater amount as provided for under Company policy, and travel time will be equal to the normal flying time between the employee's base and the assignment.

8.04.08 No employee will be required to attend training and travel on the same day for a period in excess of ten (10) hours. When the training is of more than one (1) days' duration, this limitation will apply on the day on which the employee returns to their base.

**Article 9 - Probation**

- 9.01 New employees hired into any classification covered by this Agreement and Company personnel entering into any classification covered by this Agreement will be required to serve a probationary period of six (6) calendar months from the first day of work, including training. **In** the event that a probationary employee is absent from work for any reason excluding regularly scheduled days off, for more than seven (7) calendar days during the six month probationary period, the Company may extend the employee's probationary period by the number of days such employee was absent from work.
- 9.02 The Company has the right to discharge probationary employees during their probationary period who are found to be unsuitable for continued employment.
- 9.03 In the event of a staff reduction, probationary employees will be affected in inverse order of seniority and will not have the right to bump another employee or to lay off and recall. They will, however, be offered vacancies not bid by other employees.

**Article 10 - Seniority, Staff Reduction, Lay off and Recall**

10.01 **Seniority** - will be established on a system basis and will be comprised of the following:

**Bargaining Unit Seniority** - will date from an employee's permanent entry into any classification covered by this Agreement. Bargaining unit seniority will be used to determine:

- (a) Vacation preference
- (b) Preference for leaves of absence

**Classification Seniority** - will date from an employee's permanent entry into a particular classification covered by this Agreement. Subject to other provisions of this Agreement, classification seniority will govern in respect to:

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- (a) Bidding of shifts (within each separate classification and location);
- (b) Staff reductions, lay off and recall;
- (c) Filling **of** vacancies (Bargaining Unit seniority will apply when no employees in the same classification have applied for a vacancy in that classification);
- (d) Allocation of overtime;
- (e) Preference for Time Bank use;
- (f) Training;
- (g) Relief and Special Assignments.

Note: An employee's permanent entry date **as** it relates to Article 10.01 means the first day for which an employee is credited with time worked for pay purposes and time spent in training will be considered as time worked.

10.02 In cases where two or more employees have the same classification seniority date, the sequence of seniority will be determined by the application of the following in the order stated:

- 10.02.01 Bargaining Unit Seniority Date.
- 10.02.02 Company Service Date (date marking the beginning of continuous employment with the Company).
- 10.02.03 Social Insurance Number, using the last three digits reversed, the lower number being the more senior.

10.02.04 By lot, in a manner mutually established by the Company and the Union.

10.03 **Seniority Lists** - will be prepared, corrected, amended and published in the following manner:

10.03.01 Not later than March 30 and September 30 each year, the Company will post at each location complete Seniority Lists for each classification described in Article 4 which will include employees as of March 1 and September 1, respectively. These lists will show for each employee listed thereon, in order of seniority, the employee number, name, position, location, Company Service Date, Bargaining Unit Seniority Date, Classification Seniority Date, and sequencing determinant described in Article 10.02.03. In addition, the list will contain a second part which will show credits earned in other classifications and the seniority retained by employees who accepted a position outside the scope of the Agreement.

10.03.02 It will be the responsibility of each employee to examine the list and make written request for any correction during the thirty (30) calendar days following posting. The request will be forwarded to the Company by way of the form described in Appendix 2 and in accordance with the instructions included on each seniority list with a copy to Union Headquarters.

10.03.03 All requests for corrections will be acknowledged and will be actioned after consultation with the Union Bargaining Committee Chairperson within thirty (30) days of receipt. Any corrections will become effective immediately and will be incorporated in the next posted seniority lists.

10.03.04 Notwithstanding the foregoing, the Union may request corrections to the seniority lists at times other than those stipulated. Such corrections will become effective immediately and will be incorporated in the next posted seniority lists.

#### 10.04 **Retention of Seniority**

10.04.01 Seniority will be maintained and accumulated during:

- (a) Absence due to lay off or "Off Duty Status".
- (b) Sickness or accident.
- (c) Authorized leave of absence (subject to Article 11.01.10).
- (d) Suspension with or without pay.
- (e) Legal detention.
- (f) Strike or lockout.

10.04.02 Employees permanently reclassified from one classification to another will retain the classification seniority accrued to the time of reclassification and will commence accruing classification seniority in their new classification in accordance with Article 10.01; their seniority sequence in their new classification will be established in accordance with Article 10.02.

10.04.03 Employees who accept a position with the Company outside the scope of the Agreement will retain and accrue seniority for a period of twelve (12) months provided they continue to pay Union dues. Before this twelve (12) month period expires, the employee will be permitted to return to their previously held position, or will be allowed to bid on a vacancy in another position in accordance with Article 12. This provision will be available to employees only once during their term of employment in the bargaining unit.

10.05 **Loss of Seniority** - An employee will lose their seniority and their name will be removed from the seniority list only in the following circumstances:

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- (a) When voluntarily leaving the Company.
- (b) When discharged for just cause and is not reinstated.
- (c) When laid off for a period in excess of four (4) consecutive years.
- (d) Desertion of service (resignation without notice).
- (e) When deemed to have resigned pursuant to the provisions of this Agreement.
- (f) When the employee accepts a position outside the scope of this Agreement, subject to Article 10.04.03.
- (g) When retired with or without pension.

10.06 **Staff Reductions** - will be handled in accordance with the following:

- 10.06.01 Reductions will be made within the affected classification and location in the base in inverse order of seniority, including probationary employees.
- 10.06.02 The following will apply when the staff reduction will not result in a net reduction of staff within a classification in a base:
  - 10.06.02.01 Employees in the base who may be affected will be given notice in writing, personally, stating the date the staff reduction will be effected and, at the time the notice is given, will be provided with:
    - (a) A list of positions in their classification in their base filled by employees less senior to them.
    - (b) A list of vacancies in their classification in their base which may be available to them under the provisions of Article 12.
  - 10.06.02.02 Within two (2) calendar days of receipt of the notice provided for in Article 10.06.02, the employee will advise the Company, in writing, of their preferred option(s) and will list such option(s) in order of preference.
  - 10.06.02.03 Employees' preferences will be honoured in order of seniority.
  - 10.06.02.04 Employees who do not advise the Company of their preference within the two (2) calendar days provided for in Article 10.06.02.02 will have their selection actioned, in order of seniority, only after all those who have complied properly with that provision have been actioned.
  - 10.06.02.05 Employees who do not advise the Company of their preference will be placed in a position which remains after all other employees have had their requests accommodated.
  - 10.06.02.06 Employees will be provided with the notice under Article 6 for a change of shift or days on and days off as applicable.
  - 10.06.02.07 Within three (3) calendar days of issuance of the notice provided for in Article 10.06.02.01, each employee who received such notice will be advised, in writing, of their situation regarding the staff reduction.
- 10.06.03 The following will apply when the staff reduction may result in a net reduction of staff within a classification in a base:
  - 10.06.03.01 Employees who may be affected will be given no less than twenty-one (21) calendar days notice in writing, personally, stating the date the staff reduction will be effected and, at the time the notice is given, will be provided with the following:
    - (a) A list of positions in their classification in their base filled by employees less senior to them.



- (b) A list of positions in their classification in other bases filled by employees less senior to them.
- (c) A list of positions in any other classification in their base filled by employees with less seniority than that retained by them in that classification.
- (d) A list of positions in any other classification in other bases filled by employees with less seniority than that retained by them in that classification.
- (e) A list of vacancies which may be available to them under the provisions of Article 12.

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10.06.03.02 During the period between the receipt of the notice provided for in Article 10.06.03.01 and the expiry of the fourteen (14) calendar day period for the employee to advise the Company in writing of their decision to exercise bumping rights to another base or to fill a vacancy in another base, an employee will be provided with up to three (3) working days off with pay, to survey the base(s) which are available. Such time off will be granted as promptly as possible, consistent with the desires of the employee. Free positive space transportation to these base(s) will be provided to the employee and spouse eligible for free and reduced transportation under Company policy. When a child accompanies the employee/spouse, the family will travel space available. Upon submission of an expense account, the service charge and taxes will be reimbursed.

10.06.03.03 Within fourteen (14) calendar days of receipt of the notice provided for in Article 10.06.03.01, the employee will advise the Company, in writing, of their preferred option(s) and will list such option(s) in order of preference.

10.06.03.04 Employees' preferences will be honoured in order of seniority, and in the following order:

- (a) Bumping into a location in their base in their classification which is filled by a less senior employee or filling a vacancy in another location in their base and classification which is available to them under the provisions of Article 12.
- (b) In the event no position is available in accordance with (a) above:
  - bumping into a location in another base in their classification; or,
  - bumping into a location in another classification which is filled by an employee with less seniority than that retained by them in that classification; or,
  - filling a vacancy in another base and/or classification pursuant to the provisions of Article 12.

10.06.03.05 Employees who do not advise the Company of their decision and/or preference within the fourteen (14) calendar days provided for in Article 10.06.03.03 will have their selection actioned, in order of seniority, only after all those who have complied properly with that provision have been actioned.

10.06.03.06 Employees who do not advise the Company of their decision and/or preference will be laid off with recall rights twenty-one (21) calendar days after receipt of the notice provided for in Article 10.06.03.01.

10.06.03.07 Employees will be provided with fourteen (14) calendar days notice of a change of position in their base and thirty (30) calendar days notice of change of position to another base. When an exception to the reporting date is desired by the Company or the employee, the employee's Union

Representative will be contacted and the employee will report to their new position on the date agreed to by the parties.

10.06.03.08 Within ten (10) calendar days of receipt of the notice provided for in Article 10.06.03.01, each employee who received such notice will be advised, in writing, of their situation regarding the staff reduction.

#### 10.07 Lay Off and Recall

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10.07.01 If an employee has insufficient seniority to bump or chooses not to bump, or if no vacancy exists or the employee is unable to or chooses not to fill a vacancy, the employee will be placed on lay off with recall rights effective twenty-one (21) calendar days after receipt of the notice provided for in Article 10.06.03 except in those cases where a delay may be required for a senior employee to assume the position of an affected employee.

10.07.01.01 Employees who have been laid-off and employees who have successfully exercised an option under Article 10.06.03.04, will have recall rights back to the classification and base from which they were laid off. Such employees will be provided with a Notice of Vacancy pursuant to Article 10.07.03(a).

Employees who are on lay-off may also request to be provided with notices of other vacancies which are being filled pursuant to Article 12 by providing written advice to Human Resources of the base(s) and classification(s) vacancies for which they wish to be received copies of notices of vacancy when they are issued.

10.07.02 An employee holding laid off status will advise the Company in writing of any change of address.

10.07.03 (a) Notice of vacancies will be sent by Registered Mail to the most senior of the employees who were laid off from the classification and base where the vacancy has occurred, including employees who had successfully exercised an option under Article 10.06.03.04.

(b) The location and shift of the vacancy will also be offered for bid under Article 12 by employees in the classification, base and location where the vacancy exists.

(c) Where (a) or (b) does not fill a vacancy, it will be offered for bid under Article 12 on a system-wide basis, including laid off employees from other classifications and/or bases.

10.07.04 The notified employee must advise the Company within seven (7) clear calendar days from receipt of the notice of vacancy if they wish to accept recall. Advice will be forwarded by fax and will be directed to the person who originated the notice.

10.07.05 Employees residing outside of the base to which they are being recalled will report for duty within thirty (30) calendar days of advice to the Company of intent to return. Employees residing in the base to which they are being recalled will report for duty within fourteen (14) calendar days of advice to the Company of intent to return. In both cases, employees employed by another employer at the time of recall will be allowed such time as is necessary to give that employer reasonable notice of termination. In addition, these periods may be altered with mutual agreement in other extenuating circumstances.

10.07.06 Employees who are recalled will be guaranteed a minimum of ninety (90) days of work, or pay in lieu.

- 10.07.08 An employee who, without reasonable cause, does not comply with Article 10.07.03 or Article 10.07.05, or, having accepted recall, fails to return within the time limit as contained in Article 10.07.06, will be considered to have resigned.
- 10.07.09 An employee who is on lay off and who refuses or fails to accept recall to a permanent position in the classification and base from which they were laid off will be considered to have resigned.
- 10.07.10 An employee who had successfully exercised an option under Article 10.06.03.04 who refuses to accept recall to a permanent position in the classification and base from which they were originally laid off will not be offered such recall again.
- 10.08 **Moving** - When an employee moves from one base to another, at the request of the Company or in accordance with Article 10, and subject to displacing the most junior employee in his classification in the system, they will receive the moving expenses and allowances provided for in Article 19.09.
- 10.09 **Off-Duty Status** - The following terms and conditions will apply to employees in the event of temporary disruptions to operations caused by a third-party industrial relations dispute or a sudden temporary cessation of work caused by an Act of God. The Union Bargaining Committee Chairperson will be advised orally or in writing prior to any utilization of this Article. The Company will be responsible for arranging and paying the cost of transportation back to home base for any employee who is out of base on Company business at the time the disruption occurs,
- 10.09.01 All provisions of the Agreement not specifically modified by the following will remain in full force and effect. Any dispute arising from the terms and conditions of this Article will be discussed by the Company and Union Bargaining Committee Chairperson as soon as possible without prejudice to the Union's right to initiate a formal grievance.
- 10.09.02 Only those employees who are not required to work during the period the Company's services are affected will be placed on "Off-Duty Status", hereafter referred to as "O.D.S.".
- 10.09.03 Reductions will take place within each affected classification and base with classification seniority determining who will be retained on duty.
- 10.09.04 Employees who are not required to work will be advised in writing and will be given a minimum of forty-eight (48) hours notice. At the time such notice is given or within forty-eight (48) hours of such notice, the Company will produce and issue a letter to each employee placed on O.D.S. This letter will include a summary of Employment Insurance Commission procedures to be followed by the employees, the effect on Company insurance plans and any other relevant information.
- 10.09.05 An employee whom the Company is unable to contact to advise of O.D.S. will be placed on O.D.S. and the written notice provided for in Article 10.09.04 will be sent to the employee's last known address. An employee who is out of the base and who, due to an inability to travel, the Company is unable to contact to advise of work assignment will not be disciplined. Such employee will be placed on O.D.S. but will be returned to work within twenty-four (24) hours of the Company having knowledge of their return to the base, provided their seniority is sufficient to retain a work assignment.
- 10.09.06 The shift schedules of employees who are retained on duty may be altered to conform with major changes in the normal working hours or work requirements at a location. Notice of any change to shift starting and terminating times will be provided to each affected employee at least twenty-four (24) hours in advance of the starting time of their originally scheduled shift or their new shift, whichever is the earlier. Notice of any change to days on and days off will be provided to each affected employee at least forty-eight (48) hours in advance of their originally scheduled day on or their originally scheduled day off, whichever is the earlier.

- 10.09.07 Overtime will be offered in order of seniority, first to employees on O.D.S. who are qualified to perform the work and who have indicated their availability, and then to employees who have been retained on duty. The requirements of Article 10.09.04 will be waived for the employees returning to O.D.S.
- 10.09.08 Training which has been arranged or is ongoing at the time the Company's operations are affected will proceed as scheduled and the possibility of providing other training will be discussed with the Union.
- 10.09.09 An employee who is on vacation will continue on vacation and, if applicable, will be placed on O.D.S. in accordance with Article 10.09.05 to take effect on the day they were to return to work. An employee retained on duty will commence vacation as scheduled. An employee placed on O.D.S. will either commence their vacation as scheduled or alternatively, may elect to receive their vacation pay at a later date.
- 10.09.10 An employee receiving disability insurance benefits will continue to receive those benefits until they are scheduled to return to work at which time they will be placed on O.D.S., if applicable. An employee whose illness commenced before the reduction of operations and who has not yet completed the waiting period will receive disability insurance benefits as scheduled, subject to satisfying the requirements to establish disability under the benefit plan.
- 10.09.11 All insurance plans and benefits will continue in full force and effect during any period of O.D.S. and the employee's contribution to such plans and benefits will be collected by payroll deduction on their return to work. Unless otherwise agreed by the employee, such deductions will be made in an amount equal to the employee's regular contribution to the plans until such time as the amount owing is repaid.
- 10.09.12 Employees placed on O.D.S. will continue to accrue service and seniority.
- 10.09.13 Notification of return to duty may be verbal but must be later confirmed in writing, and will state the effective date of the return to duty.
- 10.09.14 An employee will be allowed a reasonable length of time to return to duty.
- 10.09.15 If employees have not been called to return from O.D.S. within ninety (90) days of having been placed on O.D.S., the situation will no longer be considered temporary and the provisions of Articles 10.06 and 10.07 will apply.

**Article 11 - Leaves of Absence and Sick Leave**

**11.01 Leave of Absence -- Voluntary**

- 11.01.01 When the requirements of the Company permit, an employee, upon written request through their immediate supervisor, may be granted a voluntary leave of absence without pay for a period exceeding thirty (30) consecutive calendar days but not exceeding one (1) year. Requests for thirty (30) consecutive calendar days or less will be handled as time off in accordance with Article 14.03.
- 11.01.02 Requests for leaves of absence will be considered in order of seniority among those on hand from the location at the time of granting.

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- 11.01.03 The Company will indicate its approval of the leave in writing, including commencement and termination dates, preferably fourteen (14) or more calendar days prior to the requested commencement date of the leave. Once approved, a leave may not be cancelled except by mutual agreement between the employee and the Company.
- 11.01.04 If the employee wishes to return to work prior to the approved termination of the leave, the employee will make the request to the designated management person. The request will be in writing at least fourteen (14) calendar days in advance of the requested termination date; in extenuating circumstances, the fourteen (14) day requirement may be waived. The Company will provide a response to the request within seven (7) calendar days of its receipt and may authorize a return **to** work on the date requested or another day mutually acceptable to both Company and employee, or the Company may deny the request.
- 11.01.05 When a leave of absence is terminated prior to the originally approved date, no other employee will be displaced. The Company will advise the employee in writing of its decision on the request to terminate the leave.
- 11.01.06 A leave of absence may be extended upon written request to the Company, copied to Union Headquarters, provided the request is received no later than fourteen (14) days prior to the termination of the leave of absence and provided there is mutual agreement between the Company and the Union Bargaining Committee Representative to extend the leave of absence. The Company will provide a response to the request within seven (7) calendar days of its receipt.
- 11.01.07 An employee who engages in other employment while on leave of absence will be deemed to have resigned unless they have specific permission to engage in such other employment from the Company. Such permission will not be refused unreasonably.
- 11.01.08 Pay progressions will be retarded by a period of time equal to the length of the leave of absence.
- 11.01.09 Employees on a voluntary leave of absence will have their vacation entitlement reduced in accordance with Article 15.02.02.
- 11.01.10 Seniority will continue to accrue during the first ninety (90) consecutive calendar days of the leave of absence. On termination of a leave of absence which extends beyond ninety (90) consecutive calendar days, the employee will be assigned an adjusted Seniority Date which will reflect that part of the leave of absence which exceeded ninety (90) consecutive calendar days.
- 11.01.11 If desired by the employee, benefits coverage will be provided with the employee paying the full cost of premiums. Such coverage will be subject to the terms and conditions of the Group Insurance Plan.
- 11.02 **Reassignment, Maternity, Parental Leave** - Employees will be granted reassignment of duties, maternity and parental leave in accordance with the relevant provisions of the Canada Labour Code.
- 11.02.01 Additional leave in excess of that provided by the Canada Labour Code may be granted for a reasonable period upon written request by the employee when the health of the mother or child medically requires it. Such request must be accompanied by a certificate of a qualified medical practitioner **of** the employee's choice indicating that she is unable to work by reasons related to the pregnancy or health of the child and indicating the duration of that inability. In any event, any additional leave provided under this clause will be for a maximum period of six (6) months.
- 11.02.02 An employee who takes or is required to take a leave under this Article will be reinstated in the position they occupied when the leave commenced, subject **to** the provisions of Articles 10 and 12.

11.02.03 An employee will receive all advances or increases in pay during the period of leave. Benefit entitlements will be as required by the provisions of the Canada Labour Code.

11.02.04 The seniority of an employee will continue to accrue during the full period of the leave.

11.02.05 The Company will not dismiss, suspend, layoff, demote or discipline an employee because the employee is pregnant or has applied for a leave, nor will the Company take into account the pregnancy of an employee or the intention of an employee to take a leave in any decision to transfer or train the employee.

11.02.06 An employee on a Maternity or Parental Leave who wishes to terminate their leave in advance of the previously established date will advise the Company in writing. Such employee will be returned to work within four (4) weeks from the date of receipt of such notification, or such shorter period of time as agreed between the Company and employee.

*12.d.1/2p*  
11.03 **Paternity Leave** - Upon request, a male employee will be granted, without loss of pay, two (2) consecutive days of paternity leave, one day of which must be the date of the birth of his child.

11.04 **Leave of Absence - Union Business**

*1.d.5/NL*  
11.04.01 An employee who has been elected or appointed by the Union to carry out authorized business of the Union on a full-time basis will be granted a leave of absence for that purpose. The Union will advise the Company of the name of such employee, the term of the leave and the purpose. The Union will repay the Company for the Company's costs incurred in employee benefit plans and the employee will continue to pay their contributions to the Company. The Company will provide the employee with free and reduced rate transportation benefits in accordance with Free and Reduced Rate Transportation regulations. Transportation required by the employee for the execution of their duties will be provided as outlined in Article 18. The employee will continue to accrue seniority and service while on leave of absence.

11.04.02 An employee on a Leave of Absence - Union Business who wishes to terminate their leave in advance of the previously established date will advise the Company in writing. Such employee will be returned to work within four (4) weeks from the date of receipt of such notification, or such shorter period of time as agreed between the Company and employee.

11.05 **Sick Leave<sup>1</sup>**

*12.2*  
11.05.01 An employee absent from work due to an illness or injury (other than an illness or injury covered by Workers' Compensation) will be allowed sick leave with pay as outlined below.

11.05.02 Employees will be credited on the first day of each month with one (1) day sick leave for each month or part thereof beginning with the first full month of service.

11.05.03 Company personnel entering into a classification covered by this Agreement will be credited with sick leave with pay equal to the amount accrued prior to entering the scope of the Agreement. Where sick leave was accrued in hours it will be converted at the rate of one (1) day for each eight (8) hours.

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<sup>1</sup>As of the effective date of the Agreement, each employee who had accrued sick leave will be credited with their remaining accrued sick leave.

- 11.05.04 Unused days from each calendar month may be accumulated, to a maximum of twenty-five (25) days.
- 11.05.05 Accrued sick leave credits will be reduced when an employee is absent due to illness or injury until such time as the credits are exhausted or disability insurance benefits commence following a seven (7) calendar day waiting period. Absences which are less than one-half (½) of the employee's shift will only result in a one-half (½) day debit from the employee's sick leave. Absences of one-half (½) day or more will result in a full day debit from the employee's sick leave. Payment of any sick leave may require substantiation through a doctor's note if requested by the Company.
- 11.05.06 The applicable pay for sick leave will be the employee's regular rate of pay in effect at the time the sick leave is taken for the paid hours of the shift.
- 11.05.07 In order to qualify for sick leave with pay, an employee must make every reasonable effort to notify the Company of their intended absence due to illness or injury at least one (1) hour prior to the commencement of their shift.
- 11.05.08 Paid sick leave is for the sole and only purpose of protecting the employee against loss of income while they are legitimately ill or injured. Any employee using these provisions for any other reason may be subject to discipline.
- 11.05.09 The unused portion of an employee's sick leave credits will accrue and at the employee's option may be paid out on retirement or applied towards early retirement.
- 11.05.10 The applicable pay for the pay out of sick leave credits will be the employee's regular rate of pay in effect immediately prior to their retirement or early retirement.

11.06 **Leave of Absence - Bereavement**

- 12.1.3/5P 11.06.01 When a death occurs in the immediate family of an employee, the employee will be granted bereavement leave with pay for five (5) consecutive calendar days. Such leave will normally commence with the first day following the death or advice of death.
- 12.2 11.06.02 Immediate family is defined as: spouse (including common-law spouse and same sex partner as defined by Company regulations), children of employee and/or spouse (including adopted, foster, or ward children), parents of employee or spouse, grandparents of employee or spouse, grandchildren of employee or spouse, brothers and sisters of employee or spouse, including other relatives residing with the employee.
- 11.06.03 In unusual circumstances where the deceased is not a member of the immediate family (e.g., guardian), bereavement leave will be at the discretion of the Company
- 11.06.04 An employee who leaves work to commence bereavement leave will receive their regular pay but will not have that day counted as bereavement leave.
- 11.06.05 Should circumstances warrant, bereavement leave may be extended with or without pay on approval of the appropriate management person.

**11.07 Leave of Absence - Jury Duty and Court Appearance**

11.07.01 Employees who are subpoenaed to serve as a juror or appear as a witness will be granted leave without loss of pay for that purpose. If the employee receives other compensation for this time, it will be turned over to the Company.

**11.08 Leave of Absence - Compassionate**

11.08.01 Compassionate Leave may be granted to an employee for an emergency situation, which the Company considers to be legitimate compassionate grounds. Should the Company determine this leave to be without loss of regular pay, it will be for a maximum of three (3) consecutive days. Additional time may be with or without pay at the discretion of the Company.

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**11.09 Leave of Absence - Family Care**

11.09.01 Employees will be allowed a maximum of three (3) days in each calendar year for the care of their sick or injured spouse/partner, parents or child. For pay purposes, the employee's earned sick leave will be reduced when an employee is absent up to a maximum of three (3) days per year. The employee requiring such leave will endeavour to provide as much notice as possible to their immediate supervisor/manager and will provide a written statement upon return to work indicating which family member was sick or injured. Employees who misuse family care will be subject to disciplinary action.

**11.10 Absence from Work**

11.10.01 It is recognized that situations can arise under extenuating circumstances which are unavoidable and which could not be preplanned. In such circumstances, when an employee is unavoidably kept from work, they will not be discriminated against. An employee unavoidably kept from work must advise their manager in time so that relief can be arranged and upon return must provide specific reasons for such absences. Such absences will be without pay.

**Article 12 - Transfers and Filling of Vacancies**

12.01 When a vacancy occurs within a classification covered by this Agreement all employees, including employees on lay-off status, who have requested such notices of job vacancies, will be advised by way of notice of vacancy which will set out the classification, position, rate of pay, the qualifications required to do the job pursuant to Article 12.03.01, the base and location of the job, the commencement date of the job and the closing date for applications. Such notice of vacancy will be posted on appropriate workplace bulletin boards for a specified period of at least fourteen (14) calendar days duration and will be copied to all Union District Chairpersons and the Bargaining Committee Chairperson. Employees on lay-off status will also be provided notices of newly created positions and of positions in new bases.

12.02 Employees wishing to fill a posted vacancy will apply, in writing, in accordance with the instructions contained in the notice of vacancy with a copy to their Union District Chairperson.

12.02.01 In the event an employee expects to be absent during the period when a notice of vacancy will be posted they may file a letter of preference to the designated Company representative, copy to their Union District Chairperson, indicating their desire to transfer and such will be considered as an application to transfer as described in Article 12.02.

12.03 In filling vacancies, the job will be awarded to the senior applicant whose application is received prior to the closing date, provided the applicant:

- (a) is qualified to do the job;

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- (b) agrees to change their base to the base with the vacancy
- 12.03.01 (a) Qualified to do the job as referred to in Article 12.03 will only apply to transfers between classifications and to all transfers by Apprentices and means that the employee possesses the special qualifications required for the classification in accordance with Government regulations or the Company Maintenance Procedures Manual. In cases where this provision applies, the seniority of the employees with the necessary qualifications will be the determining factor. Employees whose requests are bypassed will be advised in writing by the Company and such advice will include an explanation.
- 10.F.2 (b) In filling vacancies for Crew Chief, qualified to do the job will mean that the employee possesses the qualifications for the classification as well as the ability to direct and supervise the work of others. In determining whether or not an applicant has the ability to direct and supervise the work of others, a review process will be carried out in the base by a panel comprised of the Department Manager, an individual appointed by the Union and a representative from the Human Resources Department. The panel will review the applications, with the applicants being interviewed if necessary, in order of seniority, with each being assessed in turn until such time as it is determined jointly by the panel that the applicant has the ability to direct and supervise the work of others and that applicant will be awarded the vacancy.
- 12.04 The successful applicant will be given thirty (30) calendar days notice to report for duty if the transfer is to another base. When an exception to the reporting date is desired, by the Company or the employee, the employee's Union Representative will be contacted and the employee will report to their new position on the date agreed to by the parties.
- 12.05 Employees who are transferred (except for a lateral transfer) will undergo a ninety (90) calendar day familiarization or training and trial period in which to demonstrate their ability to perform the requirements of the job. The Company may not curtail such period without just cause before it has run its normal course. In the event the employee is not able to complete the training or trial period, or cannot satisfactorily perform the job following the training or trial period, they will be returned to their former job, and any other employee who has been transferred because of the re-arrangement of jobs will also be returned to their former job.
- 12.06 All notices to an employee under this Article 12 will be in writing, copied to the employee's Union District Chairperson.
- 12.07 The Company will provide the local Union District Chairperson with notice of the employee awarded a vacancy.
- 12.08 Exchange of Base/Location - Two or more employees who have completed their probationary period may file a request with the Human Resources Department to exchange bases or locations. Such requests will be reviewed at each Union-Management Headquarters Meeting and will be actioned following approval by the Company and the Union, subject to final written acceptance by the employees involved. Such exchange will not create a vacancy and approval of the exchange will not be unreasonably withheld. All costs to the employees associated with the exchange will be the responsibility of the employees involved and the provisions of Article 19.09 will not apply.

**Article 13 - Holidays**

13.01 The following will be deemed to be holidays within the meaning of this Article:

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| New Year's Day | Good Friday  |
| Labour Day     | Thanksgiving Day   |
| Victoria Day   | Remembrance Day  |
| Canada Day     | Christmas Day  |
| Boxing Day     | One (1) Civic Holiday (as proclaimed by the Municipality where the employee works) |

and any other day that may be proclaimed by the Federal Government to be a holiday.

13.02 If operational requirements necessitate a reduction of staff levels on any particular holiday, the Company may offer the holiday off to employees on each shift, crew, or shop in order of classification seniority. If there are insufficient volunteers, the Company may assign the day off on each shift, crew, or shop in inverse order of classification seniority. Those employees who elect or are assigned to take the holiday off will be given the day off with pay. Those employees who work the holiday will receive straight time for the regular hours of the shift plus credit hours based on one and one-half times (1 ½ X) the regular hours of the shift. In any case, the employee on each crew, shift or shop will be given no less than twenty-one (21) calendar days notice of the change for that holiday.

13.03 Employees who are scheduled to work a holiday shall receive a day's pay plus receive credit hours to the time bank equal to one and one-half times (1½X) the hours worked on the holiday. Such hours may be paid or credited at the employee's option.

13.04 An employee whose regularly scheduled day off falls on a holiday shall have their time bank credited with eight (8) hours.

13.05 An employee who is called to work on a scheduled day off which is a holiday shall be paid one and one-half times (1 ½ X) the regular hourly rate, for all hours worked.

**Article 14 - Time Bank**

9.b  
See p. 65

14.01 All hours credited in accordance with Article 13 and all overtime credits received in accordance with Article 7 will be accumulated in a time bank established for each employee. This time bank will provide for a maximum accumulation of minus twenty-four (-24) hours and plus one hundred and forty (+140) hours. Hours in excess of these maximums will be cleared on the employee's pay cheque for each pay period. Employees may make withdrawals from their time bank for the following purposes and in the following manner.

14.02 **Vacation** - no later than September 15 of each year, the employee may designate time from their time bank to be set aside to be taken as vacation in the following calendar year in accordance with Article 14. Each multiple of forty (40) hours designated will constitute seven (7) calendar days vacation. Fractions of forty (40) hours designated will be taken on a time for time basis. The applicable time will be deducted from the time bank at the time vacations are allocated in accordance with Article 15.03.05.

**Note:** For vacation to be taken during 2002 and 2003, time which may be designated will be limited to one hundred and twenty (120) hours.

14.03 **Time Off** - an employee may make withdrawals from their time bank in the form of time off as follows:

- (a) Time off will only be granted in accordance with the desires of the employee and only if the requirements of the Company permit.
  - (b) Time off requests for more than thirty (30) consecutive calendar days will be handled in accordance with Article 11.01 - Voluntary Leave of Absence.
  - (c) Subject to Article 14.03(a), employees who request time off thirty (30) days in advance will be granted the time on the basis of classification seniority. Similar requests made less than thirty (30) days in advance will be granted on a first come, first served basis.
  - (d) Once time off is granted, it may not be cancelled except by mutual agreement between the Company and the employee and including, if applicable, the employee who is covering the period of time off which had been granted.
  - (e) The applicable time will be deducted from the time bank on a time for time basis when the time off is taken.
- 14.04 **Pay** - an employee may make withdrawals from their time bank in the form of hours converted to pay. Requests for such a withdrawal must be submitted by the employee no later than fourteen (14) days prior to the pay date on which they wish the payment to be made. The applicable time will be deducted from the time bank at the time the request is processed by payrolls.
- 14.04.01 During the month of April each year and only for the plus hours being held for the employee in the time bank, an employee may have the pay to be received pursuant to Article 14.03 directly deposited by the Company into their registered retirement savings plan (RRSP). It will be the employee's responsibility to provide the Company with the information and necessary authorizations required for the deposit to conform with the requirements of the Income Tax Act.
- Effective in the year following the implementation of the CYBORG payroll system, or effective in the year 2003, whichever is earlier, the employee may request the payment to their RRSP once a year at the time of their choice.
- 14.05 Requests for time bank withdrawals will be made in writing by the employee using the form described in Appendix 2.

## **Article 15 - Vacations**

### **15.01 General**

- 15.01.01 An employee will receive annual vacation with pay in accordance with their years of service as provided for in Article 15.02.
- 15.01.02 Vacation is not cumulative and will be taken during the vacation year in which it is earned except as provided for in Article 15.03.08 or unless special circumstances warrant otherwise and prior arrangements are made with the Company in writing.
- An employee who takes any vacation in a year other than the vacation year in which it is earned, and including the vacation carry-over provided for in Article 15.03.08, will bid the vacation after all other employees have bid their vacation for the current year and will not affect the current year vacation of any other employee.
- 15.01.03 The vacation year will be January 1 to December 31
- 15.01.04 Vacation will be taken in consecutive calendar days and consistent with Article 15.02.03.

15.01.05 While there will be no embargo on vacation times, it is recognized by the parties to this Agreement that restrictions on the number of employees allowed to take vacation at the same time may be necessary but such restrictions will not be unreasonable and must be declared prior to the employees selecting their vacation dates after consultation with the Union District Chairperson.

In setting crew minimums for vacation restrictions, employees with more than six (6) months continuous service in their classification will be included.

15.01.06 Vacation times available to covered employees will not be affected by the vacations of other Company personnel.

15.01.07 (a) Assigned vacation periods will not be changed by the Company except by mutual agreement between the employee and the Company.

(b) With a minimum notice of seven (7) days, an employee may cancel their scheduled vacation once per year. Cancellations will not be accepted until all vacation bids are complete, except in cases of extenuating circumstances. The employee will submit their re-bid with the cancellation notice.

15.01.08 Where, during their vacation an employee is otherwise entitled to disability benefits, sick leave or any other approved leave of absence, they will be entitled to elect to discontinue disability benefits, sick leave or other benefit and take their vacation, with pay, as scheduled. Alternatively, the employee may take vacation with pay at a time not desired by another employee.

15.01.09 It is recognized and agreed that under no circumstances will employees perform work for the Company during their scheduled vacation dates. Employees who wish to do so must request a change to their vacation dates under Article 15.01.07.

**15.02 Entitlement**

<u>Years of Employment</u> (as of December 31 <sup>st</sup> in every year)	<u>Entitlement</u>
Less than one (1) year	8 hours for each twenty-six (26) calendar days of service
One (1) year but less than six (6)	80 hours
Six (6) years but less than ten (10)	120 hours
Ten (10) years and over	160 hours

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Employees will be entitled to the greater of their earned entitlement as of December 7, 2001, or the entitlement as listed herein.

Over calendar years 2002/2003, the Company will transition to awarding vacation on a current basis as opposed to an accrual basis. Therefore, in addition to their normal annual entitlement, during this period employees will be required to take vacation equal to their 2001 entitlement.

15.02.02 Employees laid off under the provisions of Article 10 or on a personal leave of absence under the provisions of Article 11.01 and employees whose employment is terminated will have their vacation entitlement reduced to the following, according to the number of calendar days employed.

Days of Employment	Entitlement (Hours)			
	80	120	160	200
1 to 26	8	16	16	24
27 to 52	16	24	32	40
53 to 78	24	40	48	64
79 to 104	32	48	64	80
105 to 130	40	64	80	104
131 to 156	48	72	96	120
157 to 182	56	88	112	144
183 to 208	64	96	128	160
209 to 234	72	112	144	184
235 to 260	80	120	160	200
261 to 286	88	136	176	224
287 to 312	96	144	192	240
313 to 338	104	160	208	264
Over 338	112	168	224	280

15.02.03 Vacation can be taken in an unlimited number of blocks, subject to each block containing a multiple of the shift schedule worked.

Notwithstanding the foregoing, for the calendar year of 2002, vacation may be split into any number of blocks, subject to each block containing a multiple of the shift schedule worked. Should the Company experience difficulties in the administration of the vacation bidding related to the number of splits, and after discussions with the Union, vacation bidding for subsequent years will be limited to a maximum of four splits.

5.02.04 Vacation time will be taken on an hourly basis and in accordance with Article 15.02.03.

**5.03 Selection**

5.03.01 Vacation dates will be allocated in order of bargaining unit seniority and seniority preference within each crew and base.

15.03.01.01 Notwithstanding the foregoing, the allocation of vacation dates may be revised by mutual agreement between the Company and the Union District Chairperson following review prior to the employees selecting their vacation dates.

15.03.02 No later than October 1 of each year, the Company will post a bulletin, which will include a calendar for the vacation year, listing employees in order of seniority in each location, and showing each employee's total vacation entitlement, including additional vacation entitlement from the time bank. In addition and in the event employees who expect to be absent during the selection period have advised the Company of their selection in accordance with Article 15.03.03.01, their selection and names will be noted on the bulletin.

15.03.03 Employees will select vacation dates by noting their selection on the posted bulletin no later than October 31 or in accordance with procedures developed for the location by the Company and Union District Chairperson.

If an employee is splitting their vacation in accordance with Article 15.02.03, the employee will indicate the seniority preference they wish to exercise for each block. Employees will be allowed

to designate two first preference vacation blocks but one of the two must be no more than two (2) weeks in duration.

An employee may also designate up to one (1) week vacation to be bid at a later date and in accordance with Article 15.03.08.

If possible, employees are to note their selection on the posted bulletin in order of their seniority with the most senior employee noting their vacation selection first and the most junior employee last.

- 15.03.03.01 Employees who expect to be absent during the selection process may advise the Company, in advance and in writing, as to their selection of vacation dates and, if applicable, the seniority preference they wish to exercise for each block.
- 15.03.04 An employee who fails to select their vacation dates in accordance with Article 15.03.03 will be allowed a choice of available dates after all other employee(s) vacations in the location are allocated. Such employee will select vacation dates from these available dates no later than November 10 and in the event they fail to select, they will be allocated vacation dates by the Company from those that are available.
- 15.03.05 Vacation dates will be allocated in order of seniority preference with first preference dates awarded first, in order of seniority, with second, third, fourth, etc. preference dates then being awarded in the same manner.
- 15.03.06 No later than November 30, the Company will post a bulletin in each base showing the allocation of vacation dates for each employee.
- 15.03.07 In the event an employee's days on and days off are revised and the revision affects their vacation dates, the employee will be permitted to revise their vacation dates to coincide with the revised days on and days off.
- 15.03.08 An employee who designates up to one (1) week vacation to be bid at a later date may bid the dates as follows:
- (a) One (1) week to be taken in the current vacation year at a vacation time which had not been bid by another employee.
  - (b) One (1) week to be taken in the next vacation year, to be bid after all other employees have bid their vacation for the current year.
  - (c) In both cases, competing bids from employees would be handled in the location in order of bargaining unit seniority.
- 15.04 **Waiting List** - Vacation dates which become available after the allocation of vacation dates will be offered in order of seniority to employees who are on a waiting list maintained by the Company and, once accepted, will become their allocated vacation dates.
- 15.05 **Vacation Pay**
- 15.05.01 Employees discharged or resigning from the Company are entitled to receive pay in lieu of accrued vacation. The date of separation will not be extended beyond the date of actual termination of employment.
- 15.05.02 At the option of the employee, vacation accrued but not taken by employees who are laid off will be paid at the time of lay off or at the end of the calendar year it was due to be taken.

- 15.05.03 Vacation pay will be the employee's regular rate of pay during the vacation period or will be equal to two percent (2%) of gross earnings during the period the vacation was earned for each seven (7) days of entitlement, to a maximum of six (6%) percent, whichever is greater.
- 15.05.04 In the event the vacation entitlement is prorated, each multiple of seven (7) days will be paid in accordance with Article 15.05.03 and fractions of seven (7) days will be prorated at the rate of one-seventh (1/7) of two percent (2%) for each day or paid at the employee's regular rate of pay, whichever is the greater pay.
- 15.05.05 The comparison between the employee's regular rate of pay and the percentage of gross earnings provided for in Articles 15.05.03 and 15.05.04 will be done by the Company at the end of each calendar year. The employee will be paid the difference, if any, by the end of February.

**Article 16 - Grievance Procedure, Arbitration, Discipline, Suspension, Discharge**

- 16.01 All grievances or disputes will be settled finally and conclusively by the procedures described in this Article without interference with or a stoppage of work.
- 16.02 A "Grievance" means any difference between the persons bound by the Agreement concerning its interpretation, application, operation, or any alleged violation thereof, or any dispute, including any questions as to whether any matter is arbitrable.
- 16.03 Time spent by the grievor(s), and employees (including Union representatives) required to attend, during their hours of work, a grievance hearing at the Informal Step, Step 1 or Step 2, or a disciplinary investigative hearing will be considered time worked and will be paid accordingly. The parties will endeavour to schedule such meetings during the normal hours of work of those attending.
- 16.04 Union representatives will be recognized in discussing any grievance or complaint of any employee. At any stage of the grievance procedure, other representatives of either the Company or the Union may be in attendance as required.
- 16.05 **Designates** - At any stage of the grievance procedure, the Company or Union may appoint a designate. Where a decision is rendered by a designate, that decision becomes the final decision for that level.
- 16.06 **Individual Grievance**- If an employee and/or a Union Representative has a grievance it will be handled in the following manner.
- (a) **Informal** - After knowledge of the incident causing the grievance, the employee will try to adjust the matter with their immediate supervisor alone or accompanied by a Union Representative or will request the Union Representative to try to adjust the matter on their behalf.
  - (b) **Step 1** - If the informal step does not resolve the matter, a written grievance may be submitted by the Union District Chairperson to the Manager of the Department concerned within ten (10) working days from the time the employee and/or Union District Chairperson became aware of the grievance or the time of the last informal discussion, whichever is the later and subject to leaves of absence, sickness, vacations or other absences. Such grievance will state the type of grievance, the Article(s) allegedly violated and a short outline of the facts giving rise to the grievance. A meeting will be held between the Union District Chairperson and the Manager within ten (10) working days from receipt of the grievance. During the meeting, the Union may have the presence of the employee(s) involved. The Manager will attempt to adjust the grievance without delay, but will give a written answer to the Union District Chairperson no later than ten (10) working days after the meeting.

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- (c) **Step 2** - If the grievance is not resolved at Step 1, it may be appealed, in writing, by the Union District Chairperson to the Director of the Department concerned within ten (10) working days after receipt of the Company's decision at Step 1. A meeting will be held between the Union Regional Bargaining Committee Member and the Director within ten (10) working days from receipt of the appeal. During the meeting, the Union may have the presence of the employee(s) involved. The Director will attempt to adjust the grievance without delay, but will give a written answer to the Union Regional Bargaining Committee Member no later than ten (10) working days following the meeting. If the grievance is not resolved at this step, it may be advanced by the Union to arbitration, or any other procedure provided for in the Canada Labour Code. The process of Mediation/Arbitration will be used if both parties agree.

*6. a. 2*

**16.07 Policy/Group Grievance** - When the grievance has a general application and/or will affect more than one employee, the Chairperson of the Union Bargaining Committee may submit a written grievance to the Human Resources Department. Such grievance will state the type of grievance, the Article(s) allegedly violated and a short outline of the facts giving rise to the grievance. A management representative from the Human Resources Department and the Union Bargaining Committee Chairperson will meet within ten (10) working days of the receipt of the written grievance. The management representative will attempt to adjust the grievance without delay, but will give a written answer to the Union Bargaining Committee Chairperson within fifteen (15) working days of the hearing and this answer will be considered the Company's Step 2 response. If the grievance is not resolved at this step, it may be advanced to arbitration by the Union, or any other procedure provided for in the Canada Labour Code. The process of Mediation/Arbitration will be used if both parties agree.

**16.07.01** The Company will also have the right to submit a grievance to the Union. Such grievance will be submitted in writing by the Director of Human Resources to the Union Bargaining committee Chairperson and will state the type of grievance, the Article(s) allegedly violated and a short outline of the facts giving rise to the grievance. The Director and the Union Bargaining Committee Chairperson will meet within ten (10) working days of the receipt of the written grievance. The Bargaining Committee Chairperson will attempt to adjust the grievance without delay, but will give a written answer to the Director within fifteen (15) working days of the hearing. If the grievance is not resolved at this step, it may be advanced to arbitration by the Company, or any other procedure provided for in the Canada Labour Code. The process of Mediation/Arbitration will be used if both parties agree.

**16.08 Arbitration** - Where a grievance is not resolved at Step 2 the matter may be submitted to arbitration by a single arbitrator in the following manner.

- (a) No later than twenty (20) working days following receipt of the Step 2 decision, the National Union may serve notice of intent to arbitrate, in writing, to the Human Resources Department. This notice will include the name of the arbitrator who is to be contacted first to determine their availability.
- (b) A panel of arbitrators will be mutually agreed to by the parties and such panel will be listed in Appendix 4 of this Agreement. Empanelled arbitrators may be removed by mutual agreement between the parties and vacancies will also be filled by mutual agreement.

In the event that no mutually agreed arbitrator is empanelled, the party serving notice of intent to arbitrate may request the Minister of Labour to appoint one for each case, or the parties may attempt to come to a mutual agreement on an arbitrator for each case.

- (c) An arbitrator will be selected from the panel in the following manner. Each arbitrator will be called upon to act on a rotation basis and the arbitrator will be contacted to determine their availability. If that arbitrator is not available within ninety (90) days but is available at a later date,



the parties may agree to accept that date or will proceed to the next arbitrator in order of rotation in the same manner until a mutually acceptable date is agreed. In the event there is no agreement, the first available arbitrator will be selected.

When the next grievance is filed to arbitration, the above process will begin with the arbitrator following the arbitrator who had been the first contacted to determine their availability for the immediately preceding grievance filed to arbitration.

- (d) Scheduling of arbitration hearings will also be subject to the availability of the Company and Union representatives and witnesses provided this does not lead to an undue delay in the holding of the hearing(s).
- (e) The arbitrator will hold hearings at which the Company and Union will have the full opportunity to present evidence, witnesses and argument in a process consistent with the requirements of natural justice. The arbitrator will have all of the authority and powers conferred upon an arbitrator pursuant to the provisions of the Canada Labour Code.
- (f) The arbitrator will issue a written award and will have the authority to render any decision which they consider just and equitable. However, such decision will not be inconsistent with the provisions of this Agreement nor will it alter or modify any of its provisions.
- (g) The arbitrator's decision will be final and binding on the Company, the Union and the employee(s) involved.
- (h) The Company and Union will share, equally, the expenses and fees of the arbitrator.

16.09 **Mediation/Arbitration** - Where the Company and Union agree, a grievance which is not resolved at Step 2 may be submitted to Mediation/Arbitration in the following manner.

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- (a) No later than twenty (20) working days following receipt of the Step 2 decision, or at any time following the expiry of the time limits for the rendering of a Step 2 decision, the National Union may serve notice of its wish to submit the grievance to mediation/arbitration, in writing, to the Human Resources Department. This notice will include the name of the arbitrator who is to be contacted first to determine their availability. The Company will respond to the notice within ten (10) working days following receipt. Failing agreement to proceed with mediation/arbitration, the grievance may be processed in accordance with Article 16.08.
- (b) The arbitrator will be selected from the panel and hearings will be scheduled in the manner provided for in Article 16.08 (c) and (d).
- (c) The hearings will be held at a location agreed to by the parties.
- (d) A maximum of three (3) grievances will be heard at any one (1) hearing and will be heard in the order they were originally filed under Article 16.06(b) or 16.07.
- (e) The Company and Union will attempt to agree on a written statement of fact for each grievance prior to the hearing. In the event there is no agreement, the Company and Union will provide to the other party, at least five (5) days prior to the hearing, a written outline of the evidence they intend to present during the hearing. Such outline will be of sufficient particularity to permit the other party to prepare for the hearing.
- (f) The grievances will be presented during mediation/arbitration by a designated representative of the Union and a designated representative of the Company, neither of whom will be a lawyer.

- (g) The arbitrator will determine their own procedures but will give full opportunity to the parties to present evidence and make submissions in a process consistent with the requirements of natural justice. The arbitrator will have all of the authority and powers conferred upon an arbitrator pursuant to the Canada Labour Code. Where possible, the arbitrator will attempt to mediate a settlement between the parties.
- (h) Where a settlement is mediated, minutes of settlement will be prepared and signed by the parties.
- (i) Where a settlement is not mediated, the arbitrator will issue a written award and will have the authority to render any decision which they consider just and equitable. Such decision will be brief and to the point and will not be inconsistent with the provisions of this Agreement nor will it alter or modify any of its provisions.
- (j) The arbitrator's decision or the mediated settlement will be final and binding on the Company, the Union and the employee(s) involved.
- (k) The Company and Union will share, equally, the expenses and fees of the arbitrator.

16.10 **Witnesses** - During the arbitration or mediation/arbitration procedure, the Union and Company may have any witness(es) present who can give evidence on the matter in question. Employees who are Union witnesses will be given time off for a time sufficient for them to appear with such time off being handled as Time Off for Union Business in accordance with the provisions of Article 18.03.

*See p. 47.*

16.11 **Time Limits**

- (a) Time limits specified in the grievance, arbitration or *mediation/arbitration* procedure may be amended by mutual agreement.
- (b) Working days means Monday to Friday and excludes Saturdays, Sundays and Statutory Holidays, as it relates to time limits in the grievance procedure.
- (c) Any grievance which has been answered in Steps 1 or 2, will be considered settled on the basis of the last answer given unless appealed to the next step, arbitration or mediation/arbitration.
- (d) The Company and Union recognize the desirability of complying with the time limits provided for and will do their best to so comply. However, the parties also recognize that these time limits should not be applied in a highly technical or unreasonable way unless either party suffers prejudice.
- (e) If either party fails to give a written answer within the time periods provided at any step of the procedure, the grievance will automatically be considered to have been filed to the next step.

16.12 **Discipline, Suspension or Discharge**

- (a) No employee will be dismissed, suspended or otherwise disciplined except for just and reasonable cause.
- (b) Employees will not be disciplined in any manner prior to an investigative hearing into an incident or issue where discipline, suspension or discharge is contemplated. The employee(s) will have the right to produce witness(es) and evidence at the meeting and will have a Union representative present.

- (c) The Company may, at its own discretion, suspend an employee pending investigation into an incident or issue. An employee will not suffer a loss in pay until such time as a hearing has taken place as provided in (b) above and a decision made and communicated in writing to the employee. The Company will not be restricted from conducting investigative hearings or taking disciplinary actions due to the unavailability of Union representation.
- (d) If, in the course of a normal interview, evidence is adduced that would lead the manager to contemplate suspension or discharge, the interview will be immediately adjourned without further discussion of the incident or issue and an investigative hearing will be arranged as provided for in (b) above.
- (e) When disciplinary action is taken, the employee will be provided with a written notice of discipline which will set out the action being taken, the reasons for the action, the period of time the disciplinary reference will remain on file pursuant to (g) below and their right to initiate an appeal under the grievance procedure.
- (f) The Union District Chairperson will receive a copy of all disciplinary notices issued to an employee in their District. The Union will have the right to seek clarification of such notices.
- (g) Employees who feel they have been unjustly dealt with may appeal the Company's decision through the Union. Such appeal will be initiated at Step 1 of the grievance procedure as provided for in Article 16.06. However, where the decision to discipline, suspend or dismiss was made by the Manager of the Department concerned, the Union will have the right to initiate the appeal directly at Step 2.
- (h) The Company's decision in the case of an appeal may either uphold a previous Company decision, fully exonerate and reinstate the employee with no loss of pay or benefits, or render such intermediate decision as may be considered just and equitable.
- (i) **Written Complaints** - All written complaints about employees received by the Company will be open to inspection by representatives of the Union, and a copy given to the employee affected.
- (j) **Disciplinary Records** - Disciplinary actions resulting from 'misdemeanour' offenses will be removed from an employee's record after one (1) year. Records of more serious disciplinary actions will be removed after two (2) years.
- (k) **Personal File** - Employees will be given access to their personal file upon request. When authorized by the employee in writing, Union representatives will be given access to an employee's personal file upon request.

#### **Article 17 - Health and Safety**

- 17.01 The Company will take all necessary precautions to maintain safe, sanitary and healthful conditions at all work places and will, as a minimum, fulfil all of its obligations under Part II of the Canada Labour Code. Health and safety are of paramount importance to all personnel and all employees also have obligations under Part II of the Canada Labour Code, including the obligation to bring any situation which represents a hazard to the health and safety of the employees to the attention of the Health and Safety Committee/Representative.
- 17.02 **Right to refuse** - It is recognized that consistent with the provisions of Part II<sup>1</sup> of the Canada Labour Code, employees may refuse to use or operate a machine or thing, to work in a place or to perform an activity, if the employee while at work has reasonable cause to believe that:

- (a) the use or operation of the machine or thing constitutes a danger to the employee or to another employee, or
- (b) a condition exists in the place that constitutes a danger to the employee, or
- (c) the performance of the activity by the employee constitutes a danger to the employee or to another employee.

However, An employee may not, under this Article, refuse to use or operate a machine or thing, to work in a place or to perform an activity if:

- (a) the refusal puts the life, health or safety of another person directly in danger; or
- (b) the danger referred to above is a normal condition of employment.

17.03 The Company will post at a place accessible to every employee and at every place directed by a Labour Canada Health and Safety Officer:

- (a) a copy of Part II of the Canada Labour Code,
- (b) a statement of its general policy concerning the health and safety at work of employees, and
- (c) any other printed material related to health and safety that may be directed by a health and safety officer or that is prescribed;

and will make readily available to employees for examination, in printed or electronic form, a copy of the regulations made under Part II that apply to the work place.

17.04 **Health and Safety Committee and Representatives**

17.04.01 **Health and Safety Committees** - Health and Safety Committees will be established for each workplace according to the following:

<i>Number of Employees</i>	<i>Committee Size</i>
20 - 199	One (1) selected by the Union One (1) selected by the Company
200 +	Two (2) selected by the Union Two (2) selected by the Company

17.04.02 **Health and Safety Representatives** - At workplaces with less than twenty (20) employees, the Union will appoint a Health and Safety Representative.

17.04.03 **National Health and Safety Co-ordinator** - In addition to the foregoing, the Union will appoint an employee to the position of National Health and Safety Co-ordinator to be responsible for assisting Health and Safety Committees and Representatives in the discharge of their duties and for meeting with the Company at the Headquarters level on matters related to health and safety, including meetings of the Health and Safety Policy Committee.

17.04.04 **Health and Safety Policy Committee** - A Policy Committee will be established as required under Part II of the Canada Labour Code. The Union's National Health and Safety Co-ordinator will be the Union's representative on this Committee.

17.04.05 The Company and Union will advise the other of the names of the Committee members and Representatives appointed, The Committees/Representatives will, as a minimum, fulfil their

obligations under Part II of the Canada Labour Code including but not limited to meeting as required, monitoring all practices needed to enable the health and safety of employees and considering, without delay, all situations involving hazardous conditions and practices brought to its attention.

- 17.04.06 The Company will post and keep posted, in a conspicuous place or places where they are likely to come to the attention of employees, the names, work place telephone numbers and work locations of all of the members of the base Health and Safety Committee or of the Health and Safety Representative.
- 17.04.07 Health and Safety Committee members, Health and Safety Representatives and the National Health and Safety Co-ordinator are entitled to such time from their work as is necessary to carry out their functions and any time spent by them while carrying out any of those functions will, for the purposes of calculating wages owing to them, be deemed to have been spent at their work.
- 17.04.08 Where practicable, no complaint will be instituted with the Government Agency concerned prior to presentation to the Health and Safety Committee.
- 17.05 **Protective Clothing, Devices and Safety Equipment** - Where the nature of the work or working conditions so require, employees will be supplied, at Company expense, all necessary protective clothing (excluding footwear), safety equipment and other protective devices, which will be maintained and replaced, where necessary, at Company expense. Employees are required to use these items where necessary.
- 17.06 **Safety Footwear Allowance** - The Company will pay employees working in positions where the work or working conditions make the use of safety footwear advisable a footwear allowance of eighty dollars (\$80.00) within thirty (30) days of hire or entry into a covered classification and eighty dollars (\$80.00) thereafter payable on the first pay in May and October of each year. The maximum safety footwear allowance paid in a calendar year will be one hundred and sixty dollars (\$160.00).
- 17.07 **Working Alone**
- 17.07.01 No employee will be required to work alone or without regular observation between 2100 and 0600 hours.
- 17.07.02 No employee will be expected to work alone in a situation that is dangerous to life or health, or that is considered contrary to the Canada Labour Code.
- 17.07.03 When safety or workload requires, two (2) employees will be present on out-of-base work assignments.
- 17.07.04 Any question with respect to this Article 17.07 will be referred to the employee's immediate supervisor who will rectify the matter.
- 17.07.05 If the employee's immediate supervisor is unable to rectify the problem, the matter will then be referred to the Health and Safety Committee/Representative, Company Safety Officer and the Union Representative.
- 17.07.06 The application of Articles 17.07.04 and 17.07.05 will have no effect on an employee's right to refuse under Article 17.02.

- 17.08 **Bomb Threat** - The Company will not require employees to participate in searches of Company equipment, property or premises in the event of a bomb threat. While this provision does not preclude voluntary participation in such searches, the Company will inform the employees that a bomb threat has been reported before requesting the employees to search or service the Company's equipment, property or premises.

#### **Article 18 - Union-Management Communications**

##### **18.01 Union Management Meetings**

- 18.01.01 It is recognized that meetings, between the Company and the Union are essential to the maintenance of good relations between employee and employer and the establishment of mutual confidence and trust.
- 18.01.02 Union Management meetings will be held locally and at the Headquarters level to promote better communication, mutual respect and understanding between the Company and its employees, to discuss ways and means of improving working conditions, methods, operating efficiency, maintenance of good morale and to provide for advance discussion of changes effecting the work or working conditions of employees.
- 18.01.03 At the Headquarters level meetings will be held at least once each calendar quarter and locally as required on dates mutually agreeable. The dates for such meetings will be established in advance but may be altered or cancelled on mutual agreement. Minutes of such meetings will be prepared and made available to all concerned following approval of both parties.

18.01.04 Union Management meetings will not be considered as being in lieu of the grievance procedures.

##### **18.02 Letter of Understanding**

- 18.02.01 Any Letter of Understanding negotiated between responsible officers of the Company and the Union Bargaining Committee will be deemed to form part of this Agreement as if it had been incorporated herein. Each Letter of Understanding will be identified by a heading and a number, and must be signed by the appropriate representatives of both parties.

##### **18.03 Union Representatives**

- 18.03.01 The Union will notify the Company in writing of the names of its elected or appointed representatives.

- 18.03.02 The Company recognizes the importance of prompt handling of Union business, such as the handling of grievances throughout the process, negotiating of amendments to agreements, and the attendance of Union meetings at various levels; the Company further recognizes the importance of the role of Union officers in carrying out the functions of Union business. It is therefore agreed that Union Representatives may be granted reasonable time off to carry out such functions. This time will be allowed as promptly as possible consistent with service pressures. In order to facilitate this process it will be the obligation of the Union Representatives to afford as much notice as possible of such needs, and to clear their activities both with their own supervisors and with the supervisors of the employees and personnel involved in any problem situation.

- 18.03.03 Where the Union requests time off for employees to attend pre-scheduled educational training, the Company will, subject to being given a minimum two (2) weeks advance notice, ensure those employees so designated will be released from duty to a maximum of two (2) per base with additional employees released subject to operational requirements. Where less than two (2) weeks advance notice is provided, the release from duty will be subject to operational requirements. The

*1. d. 2/NL  
1. d. 3/NL  
See art. 18.03.04.*

*1. d. 4/LP*

Union will request such time off from the Company at the Headquarters level and such requests to the Company will afford as much notice as possible.

18.03.04 Time off for which the Company has agreed to absorb the cost on a lost time basis will include meetings with the Company. In addition, the Company will absorb the cost of lost time due to Union business up to a maximum of two thousand and eighty (2,080) hours per calendar year. Time from this bank will be limited to members of the Union Bargaining Committee, District Chairpersons and any other Union Executive.

*1, d. 1 / LT*

18.03.05 Except as provided for in Article 18.03.04, the Union will bear the cost of all "actual time" lost by Union members and representatives while participating in activities authorized by the Union. This will include but is not limited to: Union conventions; executive meetings; meetings to discuss internal Union business. The Union will provide reasonable notice and the time off will not be refused unreasonably.

*1, d. 4 / NL  
See art. 18.09.02,  
18.03.03*

18.03.06 The Union will be billed for the time off except in those situations where the Company has agreed to absorb the cost. The time billed will be the actual scheduled time lost and no account will be taken of the fact that in some cases the absent employee may not be replaced, or that the employee may be replaced at overtime or recall rates. In any case, the employees involved will not be debited or removed from the payroll.

18.03.07 Space available passes for transportation over the Company's lines will be issued on request and without service charge, to Union Representatives who are Company employees and to any other Union Representatives who are Union Vice-presidents or full-time employees of the Union. When meetings with the Company are involved, the employee will be provided with free "positive space" transportation over the lines of the Company consistent with rules governing positive space business travel. Such passes will only be used in the execution of their duties.

18.03.08 Notwithstanding the provisions of Article 6, and for the purpose of facilitating the conducting of Union business, the Vancouver, Calgary, Toronto, London and Halifax District Chairpersons will, if requested in writing by the Union Regional Vice-president and subject to their qualifications and the shift requested being worked at the location in question, be given a preference in bidding a shift of their choice which has hours of work similar to those hours worked by management in their location.

18.04 **Corporate Reorganization** - In the event the Company changes ownership, merges with another Company or in any way changes its corporate identity, this Agreement will remain in full force and effect and the Union recognition and/or certificate issued by the Canada Labour Relations Board then in existence will not be affected in any way except as otherwise governed or directed by the Board. The Company further agrees to enter into negotiations with the Union relative to protection of employee's seniority and other conditions of this Agreement. Failing settlement, the provisions of the Canada Labour Code will apply.

18.05 **Technological Change** - The Company and the Union agree that in the event of a technological change the Canada Labour Code provisions pertinent to technological change will apply.

18.06 **Bulletin Boards** - The Company will provide bulletin boards for the use of the Union at appropriate locations upon which the Union will have the right to post notices relating to matters of interest to the Union and the employees.

18.07 **Orders in Writing** - All orders to an employee involving a change in location or assignment, promotion, demotion, discipline, discharge, lay off, leave of absence and vacation dates will be stated in writing with copies to the employee's Union District Chairperson.

18.08 **Company Manuals** - The Company will make available to all employees, manuals and policies affecting the working conditions of employees and will provide copies of such, together with revisions thereto, to the Union as requested.

18.09 **Paid Education Leave**

18.09.01 The Company agrees to pay into a special fund established by the Union, three thousand (\$3000.00) per month for the purpose of providing paid education leave. Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. Such monies will be paid into a trust fund established by the National Union, CAW and sent on a quarterly basis by the Company to the following address: CAW-Canada PEL Fund, 205 Placer Court, Willowdale, Ontario M2H 3H9 with cheques made payable to the CAW Leadership Training Fund.

18.09.02 Subject to having received a minimum of two (2) weeks advance notice, the Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence for up to twenty-three (23) days of class time, as required by the Union, plus travel time where necessary, such time which may be taken intermittently over a twelve (12) month period from the first day of leave. Such leaves will not exceed one (1) employee per base, per PEL session with additional leaves granted subject to the agreement of the Company. Employees on such leave of absence will be considered as being on time-off Union business as provided for in Article 18.03.05.

18.10 **Data to be Supplied to the Union** - With each remittance required under Article 20.06, the Company will supply the Union with a list containing the following information:

- Employees by base, classification and rate of pay;
- Employees on lay-off;
- Newly hired employees, including transferees;
- Employees on leaves of absence and the reason;
- Employees on Accident & Sickness, Long-term Disability or Workers' Compensation;
- Addresses and Postal Codes

18.11 **New Employee Introduction** - The Company agrees to allow a Union representative one (1) hour of time during new employee basic training, and without the presence of management, in which to address the new employees on various aspects of the Union and the collective agreement. The Union representative will be selected by the Union and the one (1) hour of time will be absorbed by the Company on a lost time basis. Any additional time required will be as provided for in Article 18.03.05.

**Article 19 - General**

19.01 **Work Clothes** - Work clothes will be provided to all employees according to the following:

(a) On an annual basis, a supply of four (4) sets of work clothes, each set to consist of the following:

a pair of work pants and one (1) shirt  
or  
1 coverall/shop coat

Each employee will have the option of specifying any combination of these items, including specifying long or short-sleeved shirts (including golf shirts) or coveralls or shop coats, up to the four (4) set maximum. In addition, employees will have the option of exchanging one (1) shirt for two (2) t-shirts, or one (1) sweatshirt or one (1) turtleneck shirt, on an annual basis and having one of their coveralls insulated.



- (b) The following items will be provided every two (2) years:

1 winter parka  
1 light jacket  
1 belt  
1 light insulated vest

Each employee will have the option of exchanging a winter parka or light jacket for a mid-weight lined jacket.

- (c) In addition to the above, coveralls will be made available to employees working in Company maintenance facilities for use in particularly dirty jobs.
- (d) Where the job duties require, employees will be provided with one (1) set of rainwear. Rainwear will have no specified life and will be replaced on an exchange basis, subject to Company approval.
- (e) In the event a change in the work clothes design is contemplated where the Company creates its own distinct look, a Joint Work Clothes Committee will be formed.

19.01.01 **Maintenance and Cleaning** - In bases of twenty (20) or more employees, the maintenance and cleaning of work clothes will be the responsibility of the Company. In all other bases, the Company will either maintain and clean clothes or, subject to the provisions of the Canada Labour Code, the employee will be responsible with the Company providing an allowance of eighteen dollars (\$18.00) per month for expenses incurred in the maintenance and cleaning of work clothes.

#### 19.02 Copies of Agreement

19.02.01 The Company and the Union desire that all levels of Management and all employees affected by this Agreement be familiar with the provisions herein. For this reason, all employees and all levels of Management concerned will be given a copy of this Agreement, and any subsequent changes including Letters of Understanding, in both official languages if required.

19.02.02 **As** soon as practical, the Company and the Union will meet to prepare a final draft of the Collective Agreement and to agree upon the arrangements necessary for the printing of the Agreement. The Union will be responsible for the typing of the final draft and the Company will be responsible for the cost of the printing and translation of the Agreement.

#### 19.03 Benefit and Insurance Plans

19.03.01 In accordance with the arbitration award of December 7, 2001, benefit and insurance plans have been referred to the parties for further discussion for a period of ninety (90) days, or a date mutually agreed, so as to provide an opportunity to develop a mutual understanding of the content of the integrated plans, and to implement the standardized plan across the bargaining unit. In the event the parties are unable to resolve any of the administrative matters within ninety (90) days of December 7, 2001, such matters may be referred back to the arbitrator for a final and binding decision.

Cost sharing of 50% Company/50% employee will remain in effect for the term of the Agreement.

19.03.02 In the event of a dispute between the employee/Union and an insurer or carrier concerning the payment of benefits under any such policies or plans, the Company will, if requested by the

employee/Union, discuss the matter with the insurer or carrier as the case may be in an attempt to adjust or settle the dispute and the employee/Union will be advised accordingly,

- (a) In the event the dispute results from a conflict between the summary of the employee's benefit plan and the terms of the contract or contracts with the insurance carrier(s) through no fault of the employee, the document providing the greater benefit will prevail and, if necessary, the Company will be responsible for providing the benefit(s). The Company reserves the right to make the necessary correction to the summary which would then apply in the future.
- (b) In the event the dispute involves the Company's failure to arrange for the necessary coverage with the result that the employee is denied coverage under the plan(s) by the carrier(s), or the coverage provided is not to the extent required, the Company will be responsible for providing the benefit(s).

19.03.03 **Continuation During Leave** - Employees who wish to continue their participation in benefit and insurance plans during a leave of absence without pay, except maternity or child care leave, or layoff, may do so within the limits of the various plans. Such employees will, in addition to their share, be responsible for the Company's share of the premiums for such plans in accordance with arrangements made between the Company and the employee.

- (a) Employees on maternity or child care leave who wish to continue their participation in benefit and insurance plans during their leave may do so subject to the employee, within a reasonable time, paying the employee share of the contributions for such plans for the period of the leave.
- (b) (Premium waiver during absences due to illness/injury will be resolved during discussions held pursuant to Article 19.03.01.)

19.03.04 **Delayed Disability Claims** - For any period of total disability and where either the employee's Workers' Compensation or Accident and Sickness Insurance claim has been delayed, the employee will, subject to completing an assignment form agreeing to reimburse the Company, receive an amount equal to the anticipated benefit for a period not exceeding sixty (60) calendar days.

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19.04 **Pension Plan** - All employees (except employees who are presently not members and who do not wish to become members) will be enrolled in the Pension Plan on the first day of the month following successful completion of the probation period. Each participating employee is required to make contributions by payroll deduction equal to 5% of their gross pay. The Company will contribute an equal amount on behalf of the employee each month. Additional voluntary contributions by the employee will be as provided for in the Plan.

In accordance with the arbitration award of December 7, 2001, the pension plan has been referred to the parties for further discussion for a period of ninety (90) days, or a date mutually agreed, so as to provide an opportunity to develop a mutual understanding of the content of the integrated plans, and to implement the standardized plan across the bargaining unit. In the event the parties are unable to resolve any of the administrative matters within ninety (90) days of December 7, 2001, such matters may be referred back to the arbitrator for a final and binding decision.

19.04.01 During periods of absence due to maternity leave, child care leave or short term disability, the employee will have the opportunity to elect to make regular required contributions during the period of absence, either on a monthly basis or by lump sum based on their rate of pay immediately prior to the leave. Where the employee elects not to make their regular required contributions, the employee will have a twelve (12) month period following their return to work in

which they may elect to implement the buy-back of service lost by contributing a predetermined amount, not to exceed 18% of their total income. In both cases, the Company will contribute an equal amount on behalf of the employee, up to the maximum of the five (5%) per cent.

6.2.6

19.04.02 The Union will appoint up to two (2) representatives to the Joint Pension Committee. Time off will be handled pursuant to Article 18.03.

19.05 **Tool Insurance Deductible** - The deductible portion payable by an employee for a claim under Tool Insurance will be no greater than one hundred dollars (\$100.00) per occurrence. In order to qualify for payment of a claim, an up-to-date inventory list must be on file with the Company and will be subject to verification with the Company. Further, with respect to an employee being required to modify a tool in order to perform their normal duties, the Company will replace such tools at no cost to the employee, at which time the modified tool becomes the property of the Company.

19.05.01 Within the limits described in Letter of Understanding No. 3 (Tool Purchase Agreement), when employees purchase tools required for the performance of their duties for the Company, the Company will be invoiced for the purchases. Employees agree to reimburse the Company by means of payroll deduction. An employee will be required to sign a copy of Letter of Understanding No.3 before participating in the Tool Purchase Plan.

Note: The foregoing will be effective for all employees in the year following the implementation of the CYBORG payroll system, or effective in the year 2003, whichever is the earlier. Prior to it being effective, current practices will apply.

19.06 **Expenses**

19.06.01 Any employee who in the performance of their work is required to be away from their home base for a period of twenty-four (24) hours will be allowed reasonable and necessary expenses for accommodation, transportation, laundry and other requirements and will be paid a per diem of fifty dollars (\$50.00) for meals. Employees who work overtime during this period will be provided with meal periods in accordance with Article 6.07 but will not receive any additional meal allowance.

19.06.02 Any employee who in the performance of their work is required to be away from their base for a period of less than twenty-four (24) hours or in excess of a multiple of twenty-four (24) hours will receive the following meal allowance during any part of each of the following periods:

Meal	Shift/Times		Allowance
	Day Shift	Night Shift	
Breakfast	0600 - 0900	1800 - 2100	\$10.00
Lunch	1100 - 1400	2300 - 0200	\$15.00
Dinner	1700 - 2000	0500 - 0800	\$25.00

19.06.03 All reasonable costs of hotel or motel accommodations (single basis) will be paid by the Company. A hotel room will be booked, at the request of the employee, if more than five (5) hours are to elapse between the end of an out of base assignment and the Company-arranged flight departure back to home base. Hotels/motels used will be the same as those used by other Company employees.

19.06.04 On out of base assignments outside of Canada, meal allowances will be calculated in US funds and converted and paid in Canadian funds. The official exchange rate will be the highest noon buy rate for the month as established by Air Canada Treasury Department.

11. /256' U  
19.07 **Out of Base Allowance** - An employee who, in the performance of their work is required to be away from their home base will be paid an allowance of twenty-five dollars (\$25.00) for each twenty-four (24) hour period. An employee who is filling a relief assignment at another base will not be paid in accordance with the foregoing but will be paid a premium of ninety cents (90¢) per hour for all time worked at the other base which will be in addition to any other premiums and allowances. The foregoing will not apply to an employee required to be away from their base to attend a training course.

19.08 **Out of Location Allowance** - An employee who, in the performance of their work is required to be away from their location and reporting to a different airport within their base, will be entitled to the following:

-The employee will be entitled to report to their location at the start of their shift.

-If the employee reports to their location, necessary and reasonable travel time between the employee's location and the place where the work is to be performed will be considered as time worked.

-If requested by the employee, the Company will provide or arrange for the employee's transportation from their location to the place where the work is to be performed.

-Subject to prior approval by the Company, the employee may use their own transportation to travel to and from the place where the work is to be performed. In such cases, the employee will receive automobile expenses at thirty cents (30¢) per kilometre, or such greater amount as provided for under Company policy. Parking expenses supported by receipts will be reimbursed.

-If the employee elects to report directly to the other place, travel time will not apply. However, automobile and parking expenses will be as provided in the foregoing.

19.09 **Moving** - When an employee moves from one base to another, at the request of the Company or in accordance with Article 10, and subject to displacing the most junior employee in his classification in the system, the employee will be allowed the following.

19.09.01 Free positive space air transportation on the Company's system to the new base for the employee and the members of their immediate family who are currently residing with the employee to the extent permitted by law.

19.09.02 Automobile expenses at thirty cents (30¢) per kilometre, or such greater amount as provided for under Company policy, for the movement of the employee's automobile to the new base. A second automobile may qualify for the expenses subject to the relative cost of shipping.

19.09.03 Relocation expenses of one thousand five hundred dollars (\$1,500.00) to cover resettlement costs. The amount shall only be claimed when an actual move occurs. Relocation expenses in excess of the non-taxable limit set by Revenue Canada (currently \$650.00) will be supported by original receipts or a letter from the employee certifying that they will incur expenses as per the non-accountable expense listing which is provided by Revenue Canada.

19.09.04 Costs associated with the sale of the employee's present home or the breaking of the lease of their present home and/or the purchase of a new home at the new base. Such costs will include real

estate fees, legal and notarial fees, etc., up to a maximum of five thousand two hundred dollars (\$5,200.00). Receipts will be required.

- 19.09.05 Reasonable living expenses for the employee and dependent members of their family at the new base for a period not exceeding two (2) weeks. Receipts will be required. In extenuating circumstances this period may be exceeded in which case special arrangements will be made with the authorization of the department head.
- 19.09.06 Time off with pay for five (5) calendar days at such time as the employee deems necessary for the establishment of a permanent domicile at the new base, subject only to operational requirements.
- 19.09.07 Moving expenses for personal effects of up to 6,818 kilograms (15,000 pounds) gross weight provided the employee moves their residence to a place within their new base. Should an employee elect to move their residence to a place outside of their new base, the employee will be allowed only those moving expenses applicable to a move within their new base.
- 19.09.08 The Company will provide employees who are eligible for a Company-assisted move with the full details of the moving allowances and any other assistance available as soon as the move is known or upon request by the employee.
- 19.09.09 Any expenses to be paid pursuant to this Agreement will be paid to the employee no later than twenty-one (21) calendar days following submission of the claim by the employee.

19.10 Training and Tuition

19.10.01 In the event the Company acquires new types of equipment, changes the equipment used or operated, introduces new work processes or changes work processes, or if licencing requirements are changed, the Company will provide training, in order of classification seniority, to employees in the affected classification(s) and base where the new equipment or **work** process is introduced up to the number of employees required by the Company. Where the equipment or work process is specific only to a particular location, the Company will be obligated to provide training only to those employees in the applicable location. Should employees in the apprentice position be bypassed for courses that would be required for licencing purposes, such training will be made available in the last eighteen (18) months of their apprenticeship. Any employee in the Non-certifying Engineer position will be given an endorsement course within the period required by Transport Canada. In the event training is made available to other employees, such training will be provided in order of seniority to those employees in the classification, base or location who signify their desire to receive such training.

7.a.1/p  
7.a.2/p  
4.c  
See art. 19.10.02  
7.e

19.10.01.01 Where time permits, the Company will post a bulletin outlining training opportunities which are being made available to employees outside of a classification, base or location so that employees may signify their desire to receive such training.

19.10.01.02 In the event training cannot be provided in order of seniority due to the absence of an employee or if such would result, in the Company's opinion, in a depletion of expertise among the remaining work force, employees not trained in order of seniority will be trained at the first opportunity within ninety (90) days.

19.10.01.03 Employees who have not been provided with training in order of seniority as described in Article 19.10.01 will not be prejudiced in any manner as a result thereof.

19.10.02 All training in accordance with Article 19.10.01 and other training for scope duties will be considered as time worked. If classroom training is six (6) hours or more in duration, the employee will not be required to return to duty, without loss of pay.

7.b  
19.10.03 Any employee, who enrolls in a course at any recognized educational institution which is designed to upgrade their current skills on the job or to provide useful training in their career with the Company, will be reimbursed one-half of the cost of tuition and textbooks for such courses taken outside normal working hours. Prior to enrolling in a course, the employee must receive Management approval that the course is eligible for cost sharing. The Company will respond to an employee's request for cost sharing no later than fourteen (14) days after the submission of the request. Any qualifications or experience attained as a result of such courses will not be considered as a qualification for the purposes of Article 10 or 12.

19.10.04 An employee who requests, in writing with a listing of their qualifications and experience, a letter of recommendation from the Company to write exams for the issuance of an Aircraft Maintenance Engineer license, or endorsement and who is declined such a letter, will be provided with written reasons from the Company within seven (7) calendar days of the declination.

19.11 **Human Rights**

19.11.01 Employees will not suffer any harassment nor will they be discriminated against by the Company and/or the Union, or any of the officers or agents acting on their behalf, with respect to terms or conditions of employment on the grounds of sex, race, colour, nationality, ancestry, place of origin, language ability, family relationship, place of residence, political affiliation, sexual orientation, disability, or failure to act on a directive which is illegal or contrary to any provision of this Agreement.

19.11.02 The Company further commits that no employee covered by this Agreement will be unlawfully interfered with, coerced or discriminated against by the Company, its officers or agents, because of lawful activity on behalf of the Union.

19.11.03 **Workplace Harassment** - The Company and Union are committed to providing a harassment-free workplace. Harassment is defined as a “course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome”, that denies individual dignity and respect on the basis or grounds such as gender, disability, race, colour, sexual orientation or other prohibited grounds as stated in the Canadian Human Rights Code. All employees are expected to treat others with courtesy and consideration and to discourage harassment.

The workplace is defined as any Company facility and includes areas such as offices, shop floors, rest rooms, cafeterias, lockers, conference rooms and parking lots.

Harassment may take many forms, verbal, physical or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are not meant to cover all potential incidents:

- Unwelcome remarks, jokes, innuendoes, gestures or taunting about a person’s body, disability, attire or gender, racial or ethnic backgrounds, colour, place of birth, sexual orientation, citizenship or ancestry;
- Practical jokes, pushing, shoving, etc. which cause awkwardness or embarrassment;
- Posting or circulation of offensive photos, visual materials;
- Refusal to work or converse with an employee because of their racial background, gender, etc.
- Unwanted physical conduct such as touching, patting, pinching, etc.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation;

Harassment is not:

Harassment **is** in no way to be construed as properly discharged supervisory responsibilities, including the delegation of work assignments, the assessment of discipline or any conduct that does not undermine the dignity of the individual. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

Filing a Complaint:

3.2.1

If an employee believes he/she has been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it:

- Request a stop of the unwanted behaviour;

- Inform the individual that is doing the harassing or the discriminating against you that the behaviour is unwanted and unwelcome;
- Document the events, complete with times, dates, location, witnesses and details;
- Report the incident to Supervisor/Union Representative.

However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser, or they may fear reprisals, lack of support from their work group, or disbelief by their supervisor or others. In this event, the victim may seek assistance by reporting the incident directly to **any** Union Representative/Company Official.

Investigation:

Upon receipt of the complaint, the Supervisor/Union Representative contacted will immediately inform their Union or Company counterpart and together they will then interview the employee and advise the employee if the complaint can be resolved immediately or if the complaint should be formalized in writing. Properly completed copies of this complaint will be forwarded to the Human Resources Manager or designate and the Union District Chairperson.

A formal investigation of the complaint will then begin by the Union District Chairperson and Human Resources Manager or their designates, interviewing the alleged harasser, witnesses and other persons names in the complaint. Any related documents may also be reviewed. Should the complaint involve sexual harassment/discrimination, the process will include a woman.

Resolution:

The Union District Chairperson and Human Resources Manager or their designates will then complete a report on the findings of the investigation. The Chairperson and Human Resources Manager will make a determination on an appropriate resolution, and ensure the resolution is fair and consistent with the intent of the Company and National CAW policy regarding discrimination and harassment in the workplace.

At the conclusion of this step, if unresolved, will be inserted into Step 2 of the grievance procedure for resolution. In the event that the complaint is not resolved by the parties at Step 2 of the grievance procedure, it may be appealed to arbitration. The parties agree that this procedure is an alternative complaint procedure and as such, complaints should not be pursued through both the grievance procedure and the Human Rights Complaint procedure.

The pursuit of frivolous allegations through the Human Rights Complaint Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

All documentation is to be secured in a location agreeable to all parties.

All employees have the right to file a complaint with the Canadian Human Rights Commission and to seek redress under the Human Rights Code.

The Company and the Union agree that changes may be made to this policy by mutual agreement.



- 19.12 **Employee and Family Assistance Program** - It is recognized that in the airline industry people encounter a wide range of problems not necessarily associated with job functioning, but which can have a serious effect on family, friends, health and ultimately their ability to maintain good and safe work performance.

It is also recognized that many human problems can be successfully treated provided they are identified in their early stages, and referral is made to an appropriate professional resource.

3. F This is true whether the problem is one of alcoholism, drug dependency or other medical/social problems.

3. G The Employee and Family Assistance Program has been developed in order to offer employees and their families access and information to professional resources when they are experiencing problems which may affect their health, their relationships with others or their job performance.

All employees, retirees and immediate family members (including traditional and non-traditional family members living under a common roof, as well as dependent children who may not be residing in the home) have the right to participate without fear of job recrimination and regardless of their status.

The decision to accept or reject assistance is the responsibility of the individual and no employee will be compelled to participate.

- 19.13 **Locker/Storage Facilities** - Employees will be provided with individual secure storage space for safe keeping of personal effects. The implementation of this provision may be deferred by mutual agreement between the Company and the Union where acceptable alternate arrangements can be made.

- 19.14 **Parking** - Parking will be provided by the Company for present positions at airport locations. Existing plug-ins will continue to be provided.

- 19.15 **Legal Protection** - The Company will, upon receipt of written request from an employee, defend or participate in the defence of that employee or their estate, to the degree requested, in any legal action arising in connection with the performance of their duties, and will protect and hold them harmless from any judgement rendered in the performance of their duties, save in the case of gross negligence or wilful misconduct. The employee will receive their regular rate of pay for the time lost due to attendance at meetings with their legal counsel and any Court appearances, and reasonable expenses incurred as a result.

- 19.16 **Engineer License Renewals** - The Company agrees to reimburse employees for the renewal of maintenance licenses.

- 19.17 **Use of Personal Vehicle** - Employees will not be required to use their personal vehicle for Company business.

#### **Article 20 - Check-off**

1. C 20.01 The Company will deduct on the payroll for each period from wages due and payable to each employee coming within the scope of this Agreement such sum as may be uniformly assessed by the Union Constitution subject to the conditions set forth herein.

- 20.02 The amount to be deducted will not be changed excepting to conform with a change in the Union's Constitution.

- 20.03 Deductions will commence on the payroll for the first pay period of the calendar month following the first date of employment in a position covered by this Agreement.



- 20.04 If the wages of an employee payable for any pay period are insufficient to permit a full deduction, no such deduction will be made from the wages of such employees by the Company on that payroll. The Company will not, because the employee did not have sufficient wages payable on any payroll, carry forward and deduct from any subsequent wages the amount not deducted on an earlier payroll.
- 20.05 Only payroll deductions now or hereafter required by law, deductions of monies due or owing the Company, pension deductions and deductions for provident funds will be made from wages due and payable prior to any deductions under this Article 20.
- 20.06 The amount so deducted from wages, accompanied by a statement of deductions from individuals, will be remitted by the Company to the Union, as may be mutually agreed by the Company and the Union, not later than thirty (30) calendar days following the pay period in which the deductions are made.
- 20.07 At the same time that income tax (T4) slips are made available, the Company will provide each employee from whom deductions were made with a statement of the amount of such deductions made in the previous year.
- 20.08 The Company will not be responsible financially or otherwise either to the Union 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 pursuant to this Article from an employee's wages, the Company will adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company will adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article, will terminate at the time it remits the amounts payable to the Union.
- 20.09 In the event of any action at law against the parties hereto resulting from any deduction or deductions made from payrolls or to be made by the Company pursuant to the first paragraph of this Article, both parties will co-operate fully in the defence of such action. Each party will bear its own cost of such defence except that if, at the request of the Union, Counsel fees are incurred these will be borne by the Union. Save as aforesaid, the Union will indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.

#### **Article 21 - Duration**

- 21.01 This Agreement is effective October 1, 2001, except as otherwise provided herein, and will continue in full ~~force and effect until June 30, 2006, and~~ may be varied by mutual agreement, in writing, between the ~~parties hereto.~~
- 21.02 Where notice to bargain collectively has been given the Union and the Company will, without delay, commence to meet diligently to bargain in good faith and make every reasonable effort to enter into a new Collective Agreement.
- 21.03 This Agreement will remain in full force and effect until superseded by another Agreement or until all the requirements of the prevailing Federal laws have been met and no agreement has been reached.
- 21.04 Upon the expiry of the Collective Agreement on June 30, 2006, and subject to article 21.06 below, the parties agree to extend the modified Air Canada Jazz Collective Agreement No. 1 to June 30, 2009. It will remain binding thereafter from month to month unless notification, in writing, to reopen the Agreement is served by either of the parties hereto four (4) months prior to the expiry date, or any continuation of expiry date, on a month to month basis, subject always to Article 21.03.

- 21.05 For the extended collective agreement from July 1, 2006 to June 30, 2009 the parties will only be able to negotiate the wage provisions of Article 5. The negotiation on this issue may commence four months prior to July 1, 2006. Should the parties reach an impasse on this issue the matter of the rates of pay will be referred to mediation/arbitration and the parties will not resort to strike/lockout action on the issue of such wage negotiations.
- 21.06 Should it be required, the parties agree and commit too file any necessary application jointly to the Canada Industrial Relations Board for approval for the modified expiration date.

**Union Committee**

Greg Spencer, National Representative  
Tim Way, Committee Chairperson  
Howard Badowich  
Jamie Bracken  
Dale Brown  
Peter Brown  
Mike Eldstrom  
Jurgen Fessler  
Yvan Larivière  
Jim Leach  
Colin Mullins  
John Murawesky  
John Schaart  
|

**Company Committee**

David Honsberger  
John Aguiar  
Gus Athanasiou  
Marie Handley  
John Newbery  
Kevin Pike  
Nando Volpi

**Letter of Understanding No. 1 - Temporary Employees**

L1.01 The Company may hire employees on a temporary basis in the following situations:

- (a) To assist the Stores Department in the taking of inventory for those requirements which cannot be filled on an overtime basis in the classification and base.
- (b) During the months of May through August, students on summer holidays may be hired for up to one hundred and twenty-three (123) calendar days. Such students must be bona fide students of a recognized educational institution (i.e. secondary school, college or university) and must be released no later than August 31. In hiring such students, preference will be given to employee family members who are capable of performing the work. There will be no requirement to implement Article 12 prior to hiring for these positions.

Employees in these categories at any base where a staff reduction is occurring will be released prior to the reduction taking effect.

Rates of pay will be in accordance with Article 5 and all premiums and allowances payable will be paid except that employees working for less than one (1) full calendar month will be paid at the hourly equivalent rate for each hour worked.

The provisions of Article 14 will not apply and all credits will be cleared from the temporary employee's time record at the end of each pay period and identified and paid on the pay cheque for each pay period.

Work clothes will be provided, as determined necessary by the Company.

Temporary employees will be represented by the Union and will pay Union dues assessed on the gross basic pay. They will have full rights to Article 16 of this Collective Agreement excluding appeals under Article 16 when released from duty at the end of their term of employment.

Temporary employees will be advised of their term of employment in writing, copy to the District Chairperson, prior to being hired.

Nothing in the foregoing will result in a reduction of work staff.

Temporary employees will not be entitled to free and reduced rate transportation.

**Letter of Understanding No. 2 - Compressed Work Week - London, Toronto, Quebec City**

8.b.1.3  
8.b.2.3

In order to continue the compressed work week shift schedule which exists in London, Toronto and Quebec City and in accordance with Article 6.02.01, the Company and the Union agree to the following:

L2.01 The shift schedule will consist of the following rotation in each cycle of fourteen (14) calendar days which will constitute the averaging period for the purposes of reaching the standard forty (40) hour work week:

- Two (2) work days
- Two (2) days off
- Three (3) work days
- Two (2) days off
- Two (2) work days
- Three (3) days off

L2.02 Each shift will consist of twelve (12) scheduled hours inclusive of one (1) unpaid meal period of thirty (30) minutes duration scheduled in accordance with Article 6.07.02, and four (4) rest periods, two (2) of fifteen (15) minutes duration each and two (2) of ten (10) minutes duration each. Rest periods will be scheduled in each quarter of the shift, but not in conjunction with the meal period nor the start or termination of a shift, and will be scheduled in such a manner as to provide the benefits for which they are intended.

L2.03 Notwithstanding the provisions of Article 6.10, shift trades which would result in an employee working the equivalent of a double shift will not be offered or worked.

L2.04 In the application of Article 7, overtime which would result in an employee working the equivalent of a double shift will not be offered or worked. In addition, overtime under Article 7.03 will be credited at one and one-half times (1 ½ X).

L2.05 Where an employee takes a portion of their vacation on one type of schedule and then changes to the compressed work week schedule, or vice versa, vacation entitlement will be determined by the following method:

- a) Multiply the maximum number of working days available to the employee by the paid hours for each shift.
- b) Multiply the number of working days taken as vacation by the paid hours for each shift.
- c) Subtract (b) above from (a) above.
- d) Divide the result obtained in (c) above by the paid hours for each shift in the new schedule. The result is the maximum number of working days remaining and available to the employee. If the result is .5 or more, rounding is up to the next higher whole number. If less than .5 rounding is down to the next lower whole number.

**Letter of Understanding No. 3 - Tool Purchase Agreement**

I, \_\_\_\_\_, acknowledge and agree that the following provisions will apply with respect to tool purchases:

1. Tools purchased under this Agreement will not exceed a maximum balance of \$500.00 at any time. Any amounts billed to the Company in excess of \$500.00 will be deducted from the following pay cheque in addition to the minimum payment of \$25.00 per pay period.
2. The minimum payment will be \$25.00 per pay, which will be deducted from my pay each pay period, commencing upon receipt by the Company of an appropriate invoice.
3. Tools purchased under this Agreement may only be used for Company-related work,
4. The Company reserves the right to deem if the tool is appropriate to the duties required of the employee.

I hereby confirm that I have read, understand and agree with the above conditions.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

**Letter of Understanding No. 4 - Time Bank Conversion**

For the purposes of transitioning to the time bank provided for in Article 14, the following will apply to employees at AirBC and CRA as applicable:

*See  
article 14.*

- (a) Current banks held as cash values will be converted to hours by dividing the cash value by the employee's hourly rate being paid immediately prior to the effective date of this agreement. Each employee involved will be advised of the results of the conversion by February 28, 2002.
- (b) Employees who have hours in excess of the permitted maximums will be allowed to carry the excess hours until they are cleared pursuant to Article 14. However, no additional hours may be accumulated until such time as their time bank hours are below the permitted maximums.



**Letter of Understanding No. 5 - Contracting Out**

The parties agree that within one hundred and twenty (120) days of December 7, 2001 (the date of the arbitration award), the Company will have the scheduled aircraft maintenance work currently performed in Edmonton, Ottawa and Winnipeg performed by employees covered by this Agreement.

It is understood this time frame may be extended to accommodate the employees currently employed at the aforementioned bases as of December 7, 2001, in obtaining the applicable aircraft endorsements in accordance with Transport Canada requirements to complete the work.

**Letter of Understanding No. 6 - Part-time Employment**

- 14.6
- L6.01 The Company will staff its operation with full-time employees whenever possible. It is recognized, however, that the use of part-time employees may be required in certain situations. Therefore, the following will apply in the use and employment of part-time employees.
- L6.02 The Company may utilize one (1) part-time employee per maintenance base in either Stores or Hangar Attendant.
- L6.03 Rates of pay will be based on the hourly equivalent, for the applicable classification, times the hours worked.
- L6.04 The standard work week will be twenty (20) hours. The standard work day will be four (4) hours excluding a meal and including a rest period. Standard shift schedules for part-time employees will comprise of the standard work week of twenty (20) hours which contain five (5) standard work days of four (4) hours each excluding a meal and including a rest period. Where operational requirements are such, the standard work day may be varied in span following the same principles as established in Articles 6. When two (2) or more part-time employees are scheduled to cover a period of time, the total combined coverage will not exceed five (5) hours from the time of the commencement of the first part-time employee's shift and the termination of the last part-time employee's shift. When more than one period of coverage is required in the same day there will be a minimum of three (3) hours between the termination of one period and the commencement of another.
- L6.05 One (1) rest period and one-half (½) a meal period (15 minutes) will be included in each part-time shift. In the event a majority of the part-time employees affected so desire, the meal and rest periods may be joined into one period, provided Management and the Union District Chairperson agree to such an arrangement. Such period(s) will be scheduled in such a manner as to provide the benefits for which it is intended.
- L6.06 In cases where full-time employees do not wish, or are not available to fill necessary overtime and recall requirements, part-time employees may be used.
- 14.2
- L6.07 For holidays which fall on a part-time employee's day off, the employee will be credited with four (4) hours. When a holiday falls on a working day, the employee will receive a credit equal to one and one-half times (1-½ X) the length of that work day.
- 14.F
- L6.08 Vacations will be bid separately by status and the vacations of employees in one status will not be affected by the vacations of employees in the other status.
- L6.09 The following will apply in the application of Article 14 to part-time employees:
- The maximum accumulation of hours in the time bank will be minus twelve (-12) hours and plus seventy (+70) hours.
- In the conversion of time in the time bank to vacation as provided for in Article 14, each multiple of twenty (20) hours will constitute seven (7) calendar days vacation and fractions of twenty (20) hours will be converted to calendar days at the rate of one (1) calendar day's vacation for each three (3) hours.
- L6.10 During periods of training, a part-time employee may be scheduled for the same hours as a full-time employee (including rest and meal periods).
- 14.1
- L6.11 Part-time employees will enjoy the same benefit and insurance plans as established for full-time employees with the same levels of Company/employee contributions.

L6.12 Except as modified by the foregoing, the provisions of the Collective Agreement will apply to part-time employees; however, this **will** not preclude further modifications from being agreed upon by the Company and the Union at the Headquarters level.

14.9  
14.12  
14.8

**Letter of Understanding No. 7 - Temporary Management Positions**

Notwithstanding the provisions of Article 10.04.03, employees may be utilized in temporary management positions subject to the following:

- L7.01 Employees utilized for temporary management positions will be limited to one(1) such assignment per year not to exceed three (3) calendar months duration.
- L7.02 Assignment to a temporary management position will be voluntary.
- L7.03 Employees in a temporary management position will not be involved in the discipline or discharge of any other employee.
- L7.04 All terms of the Agreement will apply to an employee in a temporary management position with the exception of Article 6.
- L7.05 Temporary management positions will not be available to part-time employees.
- L7.06 In the event an employee accepts a permanent position outside the scope of the Agreement within thirty (30) days of their temporary management assignment, the one (1) year period provided for in Article 10.04.03 will be considered to have commenced at the beginning of their temporary management assignment.
- L7.07 The Company will advise the Union District Chairperson in writing and in advance as to the name of the person filling the temporary management position and the duration. Where advance notice is not possible, such advice will be provided no more than seven (7) calendar days following the commencement of the temporary management position.

**Letter of Understanding No. 8 - Article 18.03.04 - Union Business Time Off**

In accordance with the arbitration award of December 7, 2001 there shall be an additional 500 **hours** of lost time paid to the Union in each year of the Collective Agreement in addition to the amount paid under Article 18.03.04.

These additional hours must be utilized for the purposes outlined in Article 18.03.04.

**Appendix 1 - Application for Correction to Air Canada Jazz/CAW-Canada Seniority List**  
**APPLICATION FOR CORRECTION TO**  
**AIR CANADA JAZZ/CAW-CANADA SENIORITY LIST**

Date: \_\_\_\_\_

TO: **Air Canada Jazz**                      COPY TO:     **CAW-Canada**  
     **Human Resources Dept.**

I request the following correction(s) to the Air Canada Jazz/CAW-Canada Seniority List dated \_\_\_\_\_

NAME: \_\_\_\_\_

CLASSIFICATION: \_\_\_\_\_ POSITION: \_\_\_\_\_

EMPLOYEE NO.: \_\_\_\_\_ BASE: \_\_\_\_\_

SENIORITY LIST PAGE NO.: \_\_\_\_\_

COMPANY SERVICE DATE SHOWN: \_\_\_\_\_

COMPANY SERVICE DATE SHOULD BE: \_\_\_\_\_

BARGAINING UNIT SENIORITY DATE SHOWN: \_\_\_\_\_

BARGAINING UNIT SENIORITY DATE SHOULD BE: \_\_\_\_\_

CLASSIFICATION SENIORITY DATE SHOWN: \_\_\_\_\_

CLASSIFICATION SENIORITY DATE SHOULD BE: \_\_\_\_\_

OTHER CORRECTIONS: (i.e., Employee No., Name, Base, Classification, Position, Tie Breaker):

**FOR HEADQUARTERS USE ONLY**

Name	Employee No.
Classification	Base

**one**

**PAY**

Note: Requests must be submitted no later than 14 days prior to the pay date on which you wish to receive payment.

Number of hours to be converted to pay - \_\_\_\_\_

Pay date payment to be made - \_\_\_\_\_

**TIME OFF**

Date	Shift Times	OK	Date	Shift Times	OK

**The Supervisor will initial in the OK column which date(s) are granted.**

Total hours requested - \_\_\_\_\_ (to be entered by requesting employee)

Total hours granted - \_\_\_\_\_ (to be entered by Supervisor)

Note: Ensure any unpaid meal periods during the shift are deducted from the above hours.

**VACATION**

Note: Requests must be submitted no later than September 15 of the year prior to the year in which the vacation is to be taken.

See Article 14.02 for the conversion formula.

Number of hours to be converted - \_\_\_\_\_ equals \_\_\_\_\_ vacation days.

Signature	Date
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**Appendix 3 - Bases & Locations**

- The list contained herein reflects Bases and Locations as of the effective date of this Agreement.
- This list is provided for reference only and, subject to the terms of this Agreement, neither restricts movement of employees, equipment or work, nor does it create an obligation to keep work in a Base or Location, and may be amended as necessary.

<b>Base &amp; Location(s)</b>	<p><b>Halifax</b></p> <ul style="list-style-type: none"> <li>▪ Enginshop</li> <li>▪ Line Maintenance</li> <li>▪ Heavy Maintenance</li> <li>▪ Component Shop</li> <li>▪ Avionics Shop (included Battery Shop)</li> <li>▪ Sheet Metal Shop</li> <li>▪ Upholstery Shop</li> <li>▪ NDT Shop</li> <li>▪ Wheel &amp; Brake Shop</li> </ul>	<p><b>Quebec City</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> </ul>	<p><b>Calgary</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> <li>▪ Component Accessory</li> <li>▪ Avionics Shop</li> <li>▪ Wheel &amp; Brake Shop</li> </ul>
	<p><b>London</b></p> <ul style="list-style-type: none"> <li>▪ Engine &amp; Prop Shop</li> <li>▪ Wheel &amp; Brake Shop</li> <li>▪ Line Maintenance</li> <li>▪ Sheet Metal Shop</li> <li>▪ Heavy Maintenance</li> <li>▪ Avionics Shop</li> </ul>	<p><b>Toronto</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance - LBPIA</li> <li>▪ Enginshop</li> <li>▪ Furnishing Shop</li> </ul>	<p><b>Vancouver</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> <li>▪ Engine Shop</li> <li>▪ Battery Shop</li> <li>▪ Component Accessory</li> </ul>
	<p><b>Ottawa</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> </ul>	<p><b>Montreal</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> </ul>	<p><b>Edmonton</b></p> <ul style="list-style-type: none"> <li>▪ Line Maintenance</li> </ul>

		Classification		
		Stores	Ground Equipment Servicing	Hangar Maintenance
Base & Location(s)	Halifax	Halifax	Calgary	
	Vancouver	Vancouver	Vancouver	
	Toronto	Toronto		
	London	London		
	Calgary	Calgary		
	Montreal	Quebec City		

**Note:** Where Technical 1 and Technical 2 employees do similar work in the same location, they will bid vacation together.

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*[Handwritten signature]*

**IN THE MATTER OF AN ARBITRATION**

BETWEEN

**JAZZ AIR LP**  
(the "Company")

AND

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION  
AND GENERAL WORKERS UNION OF CANADA  
(CAW-CANADA) LOCAL 2002**  
(the "Union")

**WAGE RE-OPENER**

SOLE ARBITRATOR: **Michel G. Picher**

APPEARING FOR THE COMPANY:

Michael A. Coady	- Counsel
Colin L. Copp	- Vice-president, Employee Relations
Allan D. Rowe	- Sr. Vice-president & C.E.O.
Kirk Newhook	- Director, Labour Relations

APPEARING FOR THE UNION:

Sari Sairanen	- President, Local 2002
L. N. Gottheil	- Counsel
Hemi Mitic	- Assistant to National President
Jim Stanford	- Economist

Mediation/arbitration meetings were held in Montreal on June 23, 24 and 25, 2006

## AWARD

This is an interest arbitration award resulting from a mediation/arbitration process concerning the amendment of the wage provisions of three collective agreements between the parties. Along with its former parent company, Air Canada, Jazz Air LP's predecessor, Jazz Air Inc., became subject to bankruptcy protection under the **Companies' Creditors Arrangement Act (R.S.C. 1985 c.C-36)** (hereinafter "CCAA"). Prior to CCAA protection the parties were governed by a collective agreement made effective from October 1, 2001 to September 30, 2004. Article 5.04 of the collective agreement, governing wages, provided for a wage re-opener process to operate on or about September 30, 2003. That provision was overtaken by a Memorandum of Understanding signed in the course of the CCAA proceedings. Essentially, the parties agreed to extend the collective agreement until June 30, 2006 and thereafter until June 30, 2009, subject to a wage re-opener after June 30, 2006

The wage re-opener, which gives rise to this arbitration process, is provided for in the parties' Letter of Agreement dated May 27, 2003. That document reads, in part, as follows:

2. Upon expiry of the collective agreement on June 30, 2006, and subject to paragraph 3 below, the parties agree to extend the modified Air Canada Jazz collective agreement to June 30, 2009.
3. For the extended collective agreement from July 1, 2006 to June 30, 2009 the parties will only be able to negotiate the wage provisions of article 5. The negotiation on this issue may commence four months prior to July 1,

2006. Should the parties reach an impasse on this issue the matter of the rates of pay will be referred to mediation/arbitration and the parties will not resort to strike/lockout action on the issue of such wage negotiations.

Jazz is the largest regional airline in Canada, operating a fleet of 135 aircraft serving fifty-four destinations in Canada and twenty-six destinations in the United States, on a daily basis. Prior to the CCAA process Jazz operated under its predecessor company, Jazz Air Inc. ACE Aviation Holdings Inc. ("ACE") was incorporated on June 29, 2004, as part of the plan of compromise and arrangement made under the CCAA and the **Canada Business Corporations Act** (R.S.C. 1985 c. C-44). Under that arrangement, Jazz Air LP, the current company, emerged with ACE holding some 79.7% of its equity. The bulk of the assets and liabilities of the predecessor company were transferred to Jazz Air LP, with Jazz Air Inc. being wound up, and ACE emerging as the parent company of Jazz Air LP, which is headquartered in Halifax, with regional offices in Vancouver, Calgary, Toronto, London and Montreal. ACE is also the parent company of Air Canada.

The Union holds bargaining rights for three separate groups of employees of Jazz, under three collective agreements, all of which are the subject of this award. In the first quarter of 2006 the first group, the Technical Services employees, numbered some 748. It includes mechanical engineers and related trades, most of whom are required to hold an Aircraft Maintenance Engineer (AME) licence. Some 720 employees are said to work within that qualification. The related non-licensed trades include

persons employed in upholstering, painting, stores, ground equipment maintenance and related activities down to and including shop helpers and cleaners. The second bargaining unit, the Customer and Airport Service group, is comprised of customer and airport service agents, numbering some 667 full time equivalents in the first quarter of 2006. These include customer service agents, cargo agents, departure control coordinators, station terminal operation control employees, lead agents and senior leads. The aircraft service division of the bargaining unit includes ramp attendants, tower and cabin service employees, drivers and aircraft services leads. The third and final bargaining unit, crew schedulers, number some twenty-two employees stationed at Halifax.

The predecessor of Jazz Air LP entered the bankruptcy protection process as a subsidiary of the then Air Canada. The history of the CCAA process which covers both Air Canada and Jazz Air LP is more fully elaborated in a prior interest arbitration award concerning Air Canada and the CAW issued by this Arbitrator, dated July 17, 2006. The details of that account apply to the case at hand and need not be repeated here. It should be noted, however, that since the CCAA process Jazz Air LP has emerged as a growing and relatively successful regional carrier. The Company descends from the operational consolidation of prior regional airlines, including Air Nova, Air Ontario and Air BC, pursuant to a plan implemented between 2000 and 2002. That process also saw the consolidation of bargaining units and collective agreements and the related merger of seniority lists through mediation. Operations then went forward under the regional

brand name "Air Canada Jazz". At the end of 2000 the Company operated 135 aircraft, 39 of which were regional jets, the balance being Dash-8's. The onset of bankruptcy problems saw a reduction to 94 aircraft by the end of 2003, including a reduction to 20 regional jets.

Air Canada's post CCAA recovery plan included a rationalizing of its domestic and trans-border routes, which has seen the Company's fleet rise to 135 aircraft. In accordance with Air Canada's plan, including the transfer of regional jets from Air Canada, Jazz's fleet is at or near the planned level of 73 regional jets, complemented by 63 Dash-8 turboprop aircraft.

The rise of the fleet from the low of 94 at the end of 2003, to its existing numbers, with a near doubling of regional jets, says much of the importance of Jazz to the reorganized Air Canada. It also represents a significant increase in the amount of aircraft maintenance work being performed at various Canadian centres on behalf of Jazz, perhaps most notably at Toronto, which has seen a substantial increase in newly hired employees, particularly in the Technical Services group.

As a subsidiary of ACE whose sole purpose is to complement and enhance the service and operations of Air Canada, Jazz Air LP operates under a relatively unique business model. As Air Canada and Jazz exited from CCAA protection on October 1,

2004, they entered into the first of what will be a series of Capacity Purchase Agreements ("CPA"). A second CPA was renegotiated in January of 2006. Essentially, under that arrangement, Air Canada purchases all of the available seating on all of the scheduled flights of Jazz for the period of the CPA. The current CPA extends to December 31, 2015, with the new rate period under that agreement commencing January 1, 2006 extending to December 31, 2008:

Under the CPA arrangement Jazz provides flying services to Air Canada in return for payments based on agreed rates for various elements of the services provided. In return for receiving all of Jazz's fleet capacity, Air Canada receives a high level of customer service within a safe and reliable operation. Air Canada handles all commercial related activity, including scheduling, inventory management, pricing, ticketing and marketing. Jazz remains responsible for managing certain costs which are agreed to be within its control, the principal of those being labour costs. With certain minor exceptions, therefore, all revenues from scheduled flights and cargo services flow to Air Canada, with Jazz's revenue being determined by the terms of the CPA. The CPA arrangement does, however, include substantial incentives whereby Jazz can keep certain revenues from scheduled flights if it should achieve or surpass a targeted margin on its controllable costs. The level of the targeted margin for controllable costs can also be affected by the cost performance of Jazz as compared with four selected North American regional airline carriers which also service legacy carriers: Mesa, ExpressJet, SkyWest and Pinnacle. The four chosen comparator American regional airlines are said



to be publicly traded regional airlines operating under CPAs which are analogous to the arrangement between Jazz and Air Canada.

A significant feature of the CPA arrangement is obviously the degree of risk assumed by Air Canada. That is reflected in the fact that under the CPA there are certain pass-through costs, including sometimes unpredictable and volatile costs, such as the cost of fuel, navigation, landing and terminal fees, among others. At the risk of over-simplification, the overarching fact is that the costs, revenues and profits of Jazz are inextricably linked to the costs, revenues and profits of Air Canada. Part of that reality is that the regional airline is conceived and organized to operate at a somewhat lower overall cost, including the factor of labour costs, than is the mainline carrier, Air **Canada**.

The advent of CCAA protection brought a severe degree of belt-tightening for members in all three CAW bargaining units. With respect to the collective agreement governing Technical Services employees, a memorandum of understanding signed in June of 2003 effectively eliminated the wage re-opener then contemplated in article 5.04.01 of the collective agreement. The same memorandum of understanding provided that there would be no progression on the wage ladder for a period of one year between April 1, 2003 and March 31, 2004, with no catch up or credit thereafter. Effective August 1, 2003 the grids in article 5.04 were amended so that newly hired employees were

subject to an across the board 10% lower wage rate, as compared with the regular wage rate, and to a different set of increment steps on the wage grid. Effective August 1, 2003 employees receiving higher pay rates or premiums than the basic pay established in articles 5.04 and 5.05 were reverted back to the basic pay scales of article 5.04. Additionally, as of the same date, all insurance premiums were henceforth to be paid equally by the Company and the individual employee on a 50/50 basis. Finally, effective June 1, 2003, wage rates were reduced by 10% for a period of sixty days.

The Customer and Airport Service employees' collective agreement made effective June 29, 2002, is in force until June 30, 2006, with a subsequent collective agreement to July 30, 2009, subject to the wage re-opener which is the subject of this arbitration. Under the CCAA process, in accordance with the Memorandum of Agreement of May 27, 2003, article 5.04 of that agreement establishes the "alternate scale" for employees hired after July 31, 2003. For example, the entry level wage for a customer service agent on the normal wage scale effective June 29, 2002, was \$12.59 per hour. Employees hired after July 31, 2003 into the same position commenced their employment at the alternate scale of \$11.33. Parallel grids provide for increments on a six month basis for the first year, and on an annual basis for all years thereafter, up to and including the sixth year. At the top of the scale the regular wage rate for customer service attendants is \$19.16 per hour, whereas newly hired employees on the alternate scale are paid \$17.24 per hour. As agreed in the memorandum of understanding of May

2003, that represents a 10% differential. That agreement also included a freeze on progress up the wage scale for a one year period between April 1, 2003 and March 31, 2004 inclusive. Additionally, as with the Technical Services bargaining unit, in accordance with an interim letter of agreement, a general 10% wage rate reduction was put into effect for a sixty day period, June to August of 2003.

Crew Schedulers were essentially subject to the same adjustments as applied to Technical Services and Customer and Airport Services employees. While the wage re-opener for the Technical Services employees and the Customer and Airport Services employees was drafted in terms of negotiating the wage provisions of article 5, in the case of the Crew Schedulers the parallel reference is to article 6, the provision which generally governs wages under the collective agreement which applies to crew schedulers.

The material before the Arbitrator confirms that the parties conducted bargaining with respect to the wage re-opener under all three collective agreements, commencing April 11, 2006, at Toronto. It does not appear disputed that during the course of those negotiations the Union drew to the Company's attention its concerns about the alternate wage scale, generally referred to as the "B scale" of wages. In the Union's view the 10% discrepancy between the two scales was a key problem causing morale difficulties, and one which needed to be fixed. It does not appear disputed that during the exchanges

between the parties the Company did not take the position that adjustments to the B scale could not be discussed.

Informal discussions continued between the parties and a more formal bargaining meeting was convened on May 16, 2006. It does appear that at that session the Union sought to broaden the scope of discussion, to deal with such matters as shift differential and telephone call monitoring, among others. At that point the Company took the view that the wage re-opener process was limited solely to wages. The Union nevertheless remained adamant that the B scale should be eliminated.

In its submission to the Arbitrator the Union stresses that the Company itself has encountered problems with the administration of the B scale, being effectively required to hire persons at the second level of the alternate scale instead of at the entry level rate. Examples of individuals so treated, being hired between April and November of 2004 were tabled in evidence.

Counsel for the Union submits that Jazz Air LP has been extremely successful in the period since 2004. He notes that that segment of Jazz Air limited partnership and income trust units not owned by ACE was publicly over-subscribed on the occasion of a public offering on February 2, 2006, allowing ACE to effectively raise \$250M in new capital. He notes that in addition to being the second largest airline in Canada, after the

Air Canada main line, Jazz is Canada's fastest growing airline. Its capacity, measured by available seat miles, grew by 32% in 2005, and in revenue passenger miles by 47%. Paying passenger numbers have grown by 10% and the Company's fleet by 33%.

Counsel for the Union stresses that the CPA structure effectively insulates Jazz from the normal risks and volatilities associated with the airline industry. Jazz is not impacted by fluctuations in passenger traffic, since all of its seats are effectively sold to Air Canada through the CPA arrangement. It is also sheltered from changes in fuel prices, as that is a flow-through cost borne by Air Canada under the terms of the CPA. The Union stresses that since the exit from CCAA protection, the financial performance of Jazz has recovered more quickly than anticipated in the CCAA exit business plan. Its paying traffic performed at a level 10% in excess of the expected exit plan in the year 2005 and its load factor performance in the same year of 69% exceeded the planned level of 63%. While the Union acknowledges that the revenues from this positive performance inured to Air Canada, Jazz's bottom line financial performance has nevertheless surpassed expectations. Jazz's EBITDAR in 2005 was very positive, being three times the rate envisioned in the original CCAA exit plan. It notes that operating income for Jazz returned to positive figures one year ahead of schedule.

Counsel submits that much of the success of Jazz is attributable to its success in attaining dramatic reductions in unit costs. He emphasizes that financial investors have

responded positively both to Air Canada's post CCAA business performance as well as to that of Jazz, resulting in positive capital injections and an overall enhancement of the Company's financial assets. Additionally, as in the Union submission made in the Air Canada-CAW arbitration, the Union notes the positive effect of the overall strength of the airline market and overall passenger levels related to a positive Canadian economy. It also cites the beneficial impact of the collapse and liquidation of the competitor Jetsgo. While the Union acknowledges that higher fuel costs have been a negative factor generally, under the CPA arrangement that has not impacted Jazz, as it is a pass through cost borne by Air Canada.

Among the most significant signs of solid performance is the growth in passenger traffic recorded by Jazz. It notes that the Company's load factor, which was below 60% in 2003, approached 69% in 2005. The Company's load factor growth has substantially exceeded that of either ACE or West Jet. The Union also stresses the Company's performance in respect of cost reductions, noting that labour savings have been attained through the CCAA process, and that reduced costs have been derived from the increasing volumes of traffic and related economies of scale, as well as the increasing average length of Jazz flights, resulting in cost savings measured on the basis of available seat miles. It stresses that Jazz's operating expenses per available seat mile have declined by almost 30% since 2002. These factors have also contributed substantially to an overall productivity growth for Jazz. The Union stresses that while the output of Jazz employees measured in available seat miles grew by 32% in 2005,

employment in the Union represented Technical Services bargaining unit grew by just over 15%, while the Customer and Airport Services unit grew by less than 10% and the Crew Scheduling group remains static, all of which reflects a significant enhancement in productivity. The Union also suggested that that change reflects an intensifying of work practices borne by employees in the bargaining units. That, the Union argues, is the inevitable result of expanding capacity and passenger load factors faster than the workforce. The process has resulted in reduced unit costs for Jazz, a factor which plays positively in respect of its relationship with Air Canada. The Union nevertheless questions whether the intensifying of work can remain sustainable, expressing its belief that this ongoing circumstance can **do** little other than cause problems in attracting and retaining employees to meet the Company's needs.

From the standpoint of financial performance, the Union stresses the profitability of Jazz in the period since 2003. It argues that the Company enjoys a profit margin on total revenues close to 12%, a rate said to be five times higher the profit margin of ACE and seven times higher than West Jet. The Union submits that Jazz has, in fact, positioned itself as the most profitable and stable airline in Canada. The Union contrasts Jazz's present situation with its pre-CCAA status as the "poor cousin" of Air Canada. It characterizes Jazz as having become a dynamic and stable profit centre in its own right, having generated almost 30% of all **ACE** net income, even though Jazz accounts for less than 5% of the total assets of ACE. All of these factors, the Union submits, explain

the fact that the units of the Jazz income fund issued on February 2, 2006 were over-subscribed.

The Union requests an across the board wage increase approaching 5% in each of the three years of the coming collective agreement. It stresses that a 2.5% wage increases scheduled to take effect in the Spring of 2003 was initially postponed voluntarily and thereafter abandoned through the CCAA process. Employees at the top of the wage scale in the Customer and Airport Service group have not received a salary increase since June of 2002, while others lower on the wage scale started to proceed up the grid ladder only after a one year wage freeze. In contrast, since March of 2002, consumer prices in Canada have ascended by 10.5%. The Union argues that that is the true decline in the real purchasing power of its members during the last four years. It assesses the loss of purchasing power by its members at 3.9% since June of 2004, the final round of CCAA labour renegotiations. With projected CPI inflation at 2% per year in the coming years, the Union submits that 3% increases over the three years of the collective agreement would still leave the real wages of the bargaining unit members lower at the end of the contract in 2009 than they were in 2004, in terms of real value. The Union submits that while it does not seek to undo the hard adjustments experienced through the CCAA process, it is adamant that its members should not emerge worse at the end of the recovery period in 2009, particularly when the positive financial performance of Jazz is taken into account.



With respect to comparators, the Union notes that in the transportation sector in 2005 unionized workplace wage settlements were reported to be running at 2.8%, and that its counterpart bargaining unit, Local 4000 with CN Rail, settled for increases of 3% per year, in a three year deal between 2004 and 2006, inclusive.

The Union also registers its objection to giving any weight whatsoever to the participation of its members in the profit-sharing program established by Jazz. It notes that CAW-Canada has always opposed profit sharing schemes, recognizing that they shift the risk of operations, including factors over which workers have no control, onto employees, while building no improvements into the underlying base level of wages. The Union also argues that the unique business model under which Jazz operates, which has **great** stability, obviates the need for recourse to a profit-sharing scheme.

As part of its submission, the Union also requests that the Arbitrator make adjustments in absolute monetary terms to each level of the grid on the B scale, so as to effectively eliminate the differential between the B scale and the regular wage scale by 2009.

In the specific circumstances of this case, the Company does not dispute the Arbitrator's jurisdiction to make adjustments particular to the B scale. It strongly argues, however, that the difference between the B scale and the regular scale of wages

remains a significant part of the Company's recovery plan, which should not be unduly disturbed. The thrust of the Company's presentation is that, given the difficult circumstances from which Jazz, like Air Canada, is emerging, no adjustment to any of the wage grids is appropriate at this time, for the duration of the balance of the recovery period through 2009.

Counsel for the Company submits that the labour cost reductions agreed to by Jazz and the CAW, acknowledged in the Plan of Arrangement made under the CCAA, are intended to ensure the long-term future viability of Jazz. He underscores that that plan was approved by Jazz and Air Canada creditors, as well as the Ontario Superior Court, as the basis upon which Jazz was able to emerge from CCAA protection. Viewed in that context, he submits that the wage re-opener process should not be used to essentially dismantle the labour cost reductions and productivity gains realized through the relatively painful CCAA process. Rather, he argues, the wage re-opener is intended to provide a mechanism whereby CAW represented employees would be prevented from falling behind the labour cost standards reflected generally in the North American regional airline industry. In that regard he stresses that even under the adjusted arrangement, the labour costs related to wages and benefits carried by Jazz are significantly higher than those of comparable regional airlines in the North American market. In other words, he submits, the employees of Jazz are in a relatively positive position.

Counsel also questions the positive financial picture drawn in the Union's presentation. He notes that the Jazz trust units which were first made available for public purchase at \$10 on February 2, 2006, have recently fallen to the level of \$8.32 per unit. This, he submits, demonstrates a declining level of investor confidence with respect to the longer term value of Jazz's business, a factor which may well reflect the view of investors with respect to the ongoing vulnerability of the airline industry.

Perhaps most emphatically, counsel stresses the absolute inter-relatedness of Jazz and Air Canada. Notwithstanding the structure of the CPA, Jazz remains a fully integrated partner of Air Canada, equally vulnerable to the risks faced by Air Canada, even though those risks may not be directly borne by Jazz. That is inevitable, he argues, given that Air Canada provides 99% of the revenues of Jazz. Any negative development in the controllable cost picture of Jazz translates into additional cost for Air Canada, and if Air Canada fails economically, Jazz is likely to follow. It is in that context, the Company argues, that this wage re-opener process must be viewed.

From the standpoint of economic reality, counsel for Jazz reminds the Arbitrator that its CPA with Air Canada includes periodic cost bench-marking comparisons with four successful US based regional carriers. Poor performance on Jazz's part with respect to these comparisons will result in its controllable target margins being reduced and will negatively impact its desirability in the eyes of investors. He notes that

guaranteed margins under CPA agreements which govern US regional carriers have been forced downward, as fierce competition rages among US regional carriers. In fact, he notes, nothing would prevent Air Canada from making CPA arrangements with those regional carriers if over time the Jazz cost structure ceases to be competitive with the costs of its regional counterparts in the US. From a hard business standpoint, nothing would prevent Air Canada from allocating newly acquired regional jets under a CPA with a competitor regional carrier if to do so would benefit Air Canada's profitability. At a minimum, it should not be taken for granted that Jazz's share of the CPA will necessarily survive beyond the expiry of its term in 2015.

Counsel also expresses concern with respect to the ripple effect of any undue wage increase that might be awarded to the three bargaining units which are the subject of this award. In that regard he notes that two other unions have wage re-opener interest arbitrations pending. Most significantly, he suggests that there could be a resulting unfairness to the pilots' bargaining unit, represented by the Airline Pilots' Association. As part of the CCAA process that union agreed to substantial wage roll-backs, so as to allow modest wage increases for the pilots in the later years of their collective agreement. That will result in ALPA represented pilots receiving wage rate increases of 1.5% per year in each of 2007, 2008 and 2009. The Company's submission is that this award should not be made in disregard of important wage relativities, both outside and inside the Company.

Much of the submissions made by counsel for the Company quite properly recount the conditions within the airline industry, and within the Air Canada family, which led to the application of Air Canada for creditor protection under the CCAA on April 1, 2003. Without in any way discounting the importance of those submissions, they are largely a reflection of the same submissions made to this Arbitrator by Air Canada in the interest arbitration process leading to the award between Air Canada and the CAW, dated July 17, 2006. I therefore consider it unnecessary to dwell on that history and analysis, which I accept without substantial reservation. It should nevertheless be noted that counsel for Jazz, as was the case with Air Canada, emphatically argues that the very purpose of the CCAA recovery plan, a plan which allows for this wage re-opener process, is heavily predicated on the orderly progression of the Company through the entire recovery period, to 2009. Additionally, counsel for the Company stresses that in this context it would be highly unproductive to draw wage comparisons to companies or enterprises outside the airline industry in North America, for the purposes of determining an appropriate wage increase, if any. Counsel submits that the volatilities and vulnerabilities of that industry, which forced Air Canada and Jazz into the CCAA process, continue to operate today as threatening influences on the stable recovery of the Company.

Counsel for the Company offers a very different perspective on the growth and apparent success of Jazz in the last few years. He characterizes that performance as reflecting the industry reality, namely that legacy carriers operating larger aircraft at

higher cost have been less well suited to handling domestic passenger markets than regional carriers operating smaller scale, narrow body aircraft within a structure that is built on lower costs. It is the lower cost structures of lower cost airlines and regional airlines which allow them to serve as the essential link between cost burdened mainline carriers and the lower density markets in smaller centres. Those markets can only be efficiently serviced by lower cost regional carriers. To put it differently, the regional carrier remains successful only to the extent that its unit costs remain low. Further to that reality, counsel refers the Arbitrator to the competitive cost performance of Jazz's principal low cost airline competitor in Canada, West Jet, as well as to a number of similarly situated regional airlines in the United States.

The Company also argues that the Union's productivity argument does not, in fact, support a wage increase. Counsel submits that, except to a small degree, the decrease in unit cost experienced by Jazz has not been realized by productivity gains on the part of Jazz employees. In his submission, productivity gains have been principally prompted by the lifting of pilot collective agreement scope restrictions, so as to allow the Company's fleet size to rise substantially since September of 2004, with the substantial increase in the number of seats per aircraft and the number of speedier jet aircraft in the Company's new fleet. Longer route stage lengths and the contracting out of servicing requirements in US destinations have also contributed substantially to productivity gains. Given that in the airline industry cost is substantially dependent on seats and distance flown, the Company's re-fleeting and the expansion of its routes,

including trans-border routes, have greatly enhanced its productivity picture. By way of example, he cites the addition of fifteen new 75-seat CRJ-705s which allow the Company to fly more seats over longer stage lengths.

The Company does not dispute that a portion of the decrease realized in unit cost since September of 2004 is indeed a result of labour concessions through the CCAA process. However, its counsel stresses that those changes were essential to effectively save the Company and to enable Jazz to emerge as a long-term competitive force in the regional industry in North America.

When the industry as a whole is examined, Jazz submits that the wages received by CAW employees are at or above those paid within competitor regional airlines in North America. By way of example, counsel notes that certified engineers in the maintenance bargaining unit are currently paid significantly in excess of the industry average, and stand ahead of comparable employees at Express Jet, Mesa, Pinnacle, Horizon, Air Wisconsin, AMR Eagle and Chautauqua. Only Sky West and West Jet pay their comparable employees slightly better. And that is only at the level of employees with ten or more years of service. In the Customer and Airport Service classification the Company submits that Jazz rates paid to pre-August 2003 employees substantially exceed the industry average and are surpassed by only one other regional airline, Horizon Canada. Additionally, with respect to ramp attendants, Jazz rates exceed the

industry average for the first twelve years of service, after which they fall within the general range for North American regional carriers. Finally, with respect to crew schedulers, the current rates paid by Jazz to employees, other than those on the B scale, exceed the rates paid by any other North American regional carrier identified.

Additionally, the Company draws to the Arbitrator's attention the impact of the Company's profit sharing plan. It submits that that factor cannot be ignored, and substantially mitigates the submission of the Union with respect to the alleged loss of earning power experienced by bargaining unit members. In 2005 the profit sharing payment received by all members of the three bargaining units was the equivalent of 5.6% of their wages. It is anticipated that a similar benefit will be paid for 2006, given current performance figures. In the Company's view, these are legitimate factors to be taken into account in assessing the true equities of the relative earnings standing of the employees, and their actual purchasing power.

I turn to consider the merits of this dispute. In doing so I stress, as was stressed in the award between Air Canada and the CAW, dated July 17, 2006, that this interest arbitration does not arise in anything resembling a normal circumstance. Jazz and its employees are still emerging from a financial near-death experience. The bankruptcy protection which Air Canada was compelled to seek could well have resulted in the liquidation of its assets and a winding up of the then parent company and its regional



airline. Thanks in no small part to the unions representing the employees of Jazz, considerable sacrifices were made to maintain the viability of the airline. It is important to stress that an intrinsic part of the strategy to maintain that viability is the original Plan of Arrangement, fashioned with the approval of creditors as well as the bargaining agents representing the employees, for a gradual process of progression towards profitability and viability which extends to 2009. The fact that Air Canada experienced a return to some profitability in 2005, and that Jazz has benefited substantially from the restructuring of operations and the substantial conversion of its fleet to longer range service by the use of regional jets, does not of itself establish that things have returned to a stable or profitable footing over any meaningful period of time. The shocks and uncertainties to which the airline industry in general in North America is subject remain a real factor, and cannot be disregarded when considering the circumstances of a recovering enterprise such as Jazz.

The second general observation which must be borne in mind is that Jazz is inextricably linked with Air Canada. Air Canada is the sole purchaser of its services and depends absolutely on Jazz continuing to operate within a tolerable and predictable range of controlled costs. To view the performance of Jazz over the last three years in isolation from the context of Air Canada's recovery or to see Jazz as a free-standing success story is to introduce an element of unreality which risks skewing the arbitration process. It must be acknowledged that the existence of Jazz is predicated on its ability to continue to provide a low-cost, efficient service which enhances the overall service

and viability of Air Canada itself. It will serve neither Jazz nor its employees, nor indeed Air Canada, to ignore that reality and fashion an award which could in any way jeopardize the extremely delicate process of economic recovery in which both companies are presently engaged.

In approaching this award it is important to make a distinction between the jurisdictional scope which the Arbitrator has in the case at hand, as compared with the more restricted jurisdiction encountered within Air Canada. In this case, the Company does not dispute the authority of the Arbitrator to make discrete adjustments within the wage grids, for example such as to change the relative relationship of wages on the B scale, as compared to the scale which applies to employees hired prior to August 2003. That is a jurisdiction which was plainly not available under the terms of the re-opener agreement between Air Canada and the CAW, for reasons elaborated in the award cited above.

The Arbitrator **recognizes** that there has been a substantial sacrifice made by the employees of Jazz who are members of the three bargaining units here under consideration. However, as difficult as their circumstances may appear to them, they are nevertheless in a relatively positive situation. **As** noted in the uncontradicted submissions of the Company, the wage rates of the employees in all three bargaining units either lead or remain strongly competitive with those of comparable low cost and

regional airlines in North America. The Arbitrator accepts that that is the competitive market in which the Company and its employees operate. Secondly, while the Arbitrator appreciates the position of the Union with respect to profit sharing arrangements, the fact remains that from the standpoint of purchasing power the members of the bargaining unit did receive the equivalent of 5.6% of their wages as a bonus in 2005, and are poised to realize similar gains in 2006. To that extent, their loss of purchasing power has been mitigated.

Lastly, the remarkable progress made by both Air Canada and Jazz as they have emerged from bankruptcy protection over the last two years represents an extremely positive value to the employees of the bargaining units as they progress to the resumption of normal collective bargaining in 2009. There is every reason to believe that if the current trend holds, by that time the Company will be fully restored to a solid footing of proven profitability and sustained viability going forward into the future. It is essential, at this very delicate moment in time, that nothing be done to jeopardize the currently chartered course to that stability and profitability. That is the true guarantor of long term employment and wage security for the employees in the three **CAW** bargaining units, and indeed for all employees of Jazz and Air Canada.

Turning to the specifics of the dispute at hand, at the outset I accept the submission of the Union that there is reason to make some adjustments in the wages of

the B scale. The existence of the B scale, perhaps most particularly among the Technical Services employees, has been a source of genuine difficulty, a fact acknowledged by the Company itself, to some degree. While I am not persuaded that the differentials between the two pay scales should be entirely eliminated during the remaining three years of the recovery period, I do accept that there is some scope for reducing the wage differentials between the B scale and the regular wage scale over the period of the three years to come. That should be accomplished by the application of fixed monetary increases at each level of the grid of the B scale, prior to and therefore over and above the application of any across the board percentage wage increase which might be awarded to all employees. That approach is obviously not fully responsive to the wish of the Union to see the full eradication at this time of the distinction between the regular wage scale and the B scale. However, in the Arbitrator's perception the lower wage scale for newly hired employees, agreed to by the Union as part of the restructuring and recovery process, remains an element essential to the ongoing recovery of Jazz and Air Canada through the three critical years to come. To fully eliminate that distinction would risk undoing an important aspect of the recovery plan itself.

For the foregoing reasons, the Arbitrator directs the following adjustments to be made to the B scale of wages in the collective agreements which are before me. Firstly, with respect to the Maintenance/Technical Services bargaining unit, the Arbitrator directs an upward adjustment of 5¢ to each position on the B scale grids effective July

1, 2006. A further increase of 8¢ at each position of the **B** scale grids will be added effective July 1, 2007. Finally, increases of 10¢ at each position of the **B** scale grids of that bargaining unit will be added effective July 1, 2008. These monetary increases shall be inserted into the grids prior to the application of the annual percentage general wage increases awarded for 2006, 2007 and 2008.

With respect to the Customer and Airport Services bargaining unit, as well as the Crew Scheduling bargaining unit, the Arbitrator directs increases of 3¢ to every position on the grids effective July 1, 2006, further increases of 5¢ to every position on the grids effective July 1, 2007 and, finally, increases of 7¢ to each position on the grids effective July 1, 2008, also to be applied in advance of the additional general percentage wage increases awarded herein. While the foregoing increases are obviously relatively modest, as they must be in recognition of the bankruptcy recovery process which is still ongoing, they nevertheless represent a degree of economic adjustment consistent with ongoing competitiveness in the industry.

With respect to the overall percentage wage increase to all grids, because of the absolute cost interrelatedness of Jazz and Air Canada, the Arbitrator considers that it is essential that the wage increases in all three bargaining units remain consistent with those which have been found appropriate for the CAW-represented employees of Air Canada for the three remaining years of the collective agreement. The Arbitrator

therefore directs that all employees in the three bargaining units be awarded across the board percentage increases in their wages at the rate of 1% effective July 1, 2006, 1.75% effective July 1, 2007 and a further 1.75% effective July 1, 2008.

I retain jurisdiction in the event of any dispute concerning the interpretation or implementation of this award.

Dated at Ottawa, this 19th day of July 2006

" Michel G. Picher"

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**MICHEL G. PICHER**  
**ARBITRATOR**

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