

Memorandum of Agreement

Between

CANADIAN NATIONAL RAILWAY COMPANY

And

CANADIAN COUNCIL OF RAILWAY OPERATING UNIONS

(C.C.R.O.U.)

RE:

**Application of Wage Increase and other changes covering the
years 1998, 1999 and 2000**

Rates of Pay affected as indicated

Rules and Benefits effective upon ratification or as indicated

February 13, 1998

1. Term of Contract

Collective agreements covering employees represented by the Canadian Council of Railway Operating Unions (Agreements 1.1, 1.2, 2.1, 2.3, 4.2, 4.3 and 4.16) will be renewed for a period of 3 years commencing January 1, 1998.

2. Wages

- a) Effective January 1, 1998, a wage increase of 2% on all basic hourly, daily and weekly and mileage rates of pay in effect on 31 December 1997.
- b) Effective January 1, 1999, a wage increase of 2% on all basic hourly, daily and weekly and mileage rates of pay in effect on 31 December 1998.
- c) Effective January 1, 2000, a wage increase of 2% on all basic hourly, daily and weekly and mileage rates of pay in effect on 31 December 1999.

3. Employee Benefit Plan - Life Insurance and Sickness Benefits

The Employee Benefit Plan Supplemental Agreement dated August 18, 1986, as amended, in respect of employees governed by this Memorandum of Agreement, will be further amended as follows:

a) Term Life Insurance

- i) Effective the first of the month following ratification of the agreement, the group life insurance coverage will be increased from \$25,000 to \$28,000 for employees who have compensated service with the Company on or subsequent to that date if otherwise qualified under the provisions of the Benefit Plan.
- ii) Effective January 1, 1999, the group life insurance coverage will be increased from \$28,000 to \$29,000 for employees who have compensated service with the Company on or subsequent to that date if otherwise qualified under the provisions of the Benefit Plan.
- iii) Effective January 1, 2000, the group life insurance coverage will be increased from \$29,000 to \$30,000 for employees who have compensated service with the Company on or subsequent to that date if otherwise qualified under the provisions of the Benefit Plan.
- iv) In addition to the aforementioned, employees may purchase additional life insurance through the company's unionized group plan to a maximum of \$100,000, subject to providing evidence of insurability as determined by the carrier.

b) Accidental Life Insurance

i) Should an eligible unionized employee decease as a result of accidental means while working on the job, a lump sum amount of \$100,000 will be given to the surviving spouse (or the estate of the employee if there is no spouse) to relieve some of the financial burdens that accompany such a tragedy. This program is also designed to provide some compensation to a worker who might be seriously injured on the job. This coverage would be provided in addition to the currently negotiated Accidental Death and Life Insurance benefits but would be subject to the exclusions (suicide, aircraft as crew member or pilot, war, armed forces, etc.) normally attached to such coverage.

ii) An eligible unionized employee is defined as any full time employee of CN who has been assigned a personal identification number (PIN).

c) Weekly Indemnity - Sickness Benefits

<u>Weekly Base Pay</u>	<u>Sickness Benefit</u>
Employees earning	
\$120.01 and over:	
Effective the first of the month following ratification of this agreement:	70% of base pay up to a maximum weekly benefit of \$510 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Effective January 1, 1999:	70% of base pay up to a maximum weekly benefit of \$520 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Effective January 1, 2000:	70% of base pay up to a maximum weekly benefit of \$530 or up to the Employment Insurance maximum weekly payment, whichever is greater.
Employees earning	\$80 or 75% of weekly base pay, whichever is less.
less than \$120.01:	

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

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

See Appendix A.

d) Maternity Leave Benefits

i) Effective the first of the month following ratification of this agreement, for claims which originate on or after the date an employee will have her

Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of \$510 for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.

ii) Effective January 1, 1999 for claims which originate on or after the date an employee will have her Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of \$520 for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.

iii) Effective January 1, 2000 for claims which originate on or after the date an employee will have her Employment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of \$530 for those weeks during which she received Employment Insurance Maternity Benefits, i.e. for a maximum of 15 weeks.

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

4. Dental Plan

The Dental Plan Agreement dated August 18, 1986, as amended, in respect of employees governed by this Memorandum of Agreement will be further amended as follows:

- a) Effective first of the month following ratification, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 1998.
- b) Effective with treatment commencing on or after January 1, 1999 covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides, for the year 1999.
- c) Effective with treatment commencing on or after January 1, 2000, covered expenses will be defined as the amounts in effect on the day of such treatment, as specified in the relevant provincial Dental Association Fee Guides for the year 2000.
- d) The Company will investigate with the Carrier the possibility of introducing an Electronic claim filing system.

5. Extended Health Care Plan

The Extended Health Care Plan dated August 18, 1986, as amended, for employees covered by this Memorandum of Agreement, will be further amended as follows:

- a) Effective the first of the month following ratification of this agreement, the Maximum Lifetime Benefit as set out in the Extended Health Care Plan is increased to \$39,000 per person for eligible employees and dependents.
- b) Effective January 1, 1999, the Maximum Lifetime Benefit as set out in the Extended Health Care Plan is increased to \$40,000 per person for eligible employees and dependents.

6. Passes

The Council's proposal concerning Passes is resolved on the basis of the letter attached hereto as Appendix B.

7. Bereavement Leave

The Council's proposal concerning bereavement leave is resolved by amending Article 78 of Agreement 1.2, Article 129 of Agreement 4.3, Article 76 of Agreement 4.16, Article 80 of Agreement 1.1 and Article 31 of Agreement 4.2 as follows:

An employee who has not less than 3 months of cumulative compensated service shall, due to the death of the employee's spouse, child, parent, grandparent, grandchild, step-parent, mother-in-law, father-in-law, brother, sister, step-brother or step-sister be entitled to three consecutive calendar days' bereavement leave. An employee will be compensated for actual time lost, exclusive of overtime, within such three calendar days.

WORK RULES

8. Eastern Canada Pay System

Eastern Canada pay system and other work rule issues are attached as Appendix C.

9. Guarantees

The Council's proposal with respect to Guarantees is resolved on the following basis:

- o Eastern Canada - Will be addressed by the System of Pay Committee

10. Leave of Absence

The Council's proposal with respect to Leave of Absence of Appointed Council positions such as Research Director or Special Representative, is resolved by amending Article 77.2 of Agreement 1.2, Article 68.2 of Agreement 1.1, Article 130.2 of Agreement 4.3 and Article 80.2 of Agreement 4.16 as follows:

"A leave of absence for appointed Council positions, such as Research Director or Special Representative, may, at management's discretion, be granted for the term of the office or until completing the activity, as the case may be, for which leave of absence was granted."

11. Bulletining and Filling Positions

- a) Revise Article 33.22 of Agreement 1.2 and Article 137.16 and 137.23(d) of Agreement 4.3 to provide all engine service employees to submit 746 at change of timetable as follows:

- **Article 33.22 of Agreement 1.2**

"A locomotive engineer must also comply with the provisions of paragraph 33.3 between changes of timetable before going to work when transferring to a new home station."

- **Article 137.16 of Agreement 4.3**

Engine Service Employees will submit a 746 at the time they become qualified for promotion to locomotive engineer and at each change of timetable

"Engine Service Employees who do not desire to accept calls for work as a Locomotive Engineer on a tour of duty basis will so notify their supervisor in writing at the time they become qualified for promotion to Locomotive Engineer, at each change of timetable. Engine Service Employees who do not advise their supervisor in accordance with the previous sentence will, when available for service, be called as required in seniority order to protect work as Locomotive Engineers. If there are no such Engine Service Employees available when service as a Locomotive Engineer is required, the junior available Engine Service Employee's who have advised their supervisor in accordance with the first sentence of this paragraph will be called and must accept such service. In the event that Engine Service Employees fail to respond to a call on a tour of duty basis, they will not be considered as available for service in any capacity until such time as the employee accepting the call has returned and is released from duty at that terminal. The foregoing penalty provision will not apply when there are no other qualified employees available to protect a position on which the Engine Service Employee can be used, nor will it apply when another employee accepts the call under the provisions of this Article.

- **Article 137.23(d) of Agreement 4.3 is deleted**

b) The Council's proposal with respect to transfers between home Stations is resolved by amending Article 58 of Agreement 1.2, (as amended by the May 5th, 1995 Memorandum of Agreement) as follows:

"Locomotive Engineers will be permitted to transfer twice per year at the spring and fall change of timetable, and will only be permitted to transfer from locations where a surplus of employees exists and only to locations where a shortage of employees exists."

Note: For the purposes of this provision, a surplus is defined as a surplus of qualified locomotive engineers, and such employee may transfer provided that, in doing so, it will not result in a shortage of employees in other operating crafts.

c) The Council's proposal with respect to four changes of timetable is resolved by amending Article 33.1 of Agreement 1.2 as follows:

"For the application of this agreement, there will be four (4) changes of timetable for all employees on the first Friday of a pay period closest to:

(i) February 1

(ii) May 1

(iii) August 1

(iv) November 1

d) Amend Article 33.5 of Agreement 1.2 to provide that a locomotive engineer's previous 746 will remain in force if not re-submitted at the new change of timetable as follows:

"A locomotive engineer who does not submit choices in accordance with the provisions of paragraphs 33.3, 33.4, or 51.11 will be governed by their list of choices in effect at the previous change of timetable."

e) Amend Article 33 and Article 51 of Agreement 1.2 to reflect that locomotive engineers will be required to submit their 746 form, 7 days prior to the change of timetable as follows:

33.3(a) All locomotive engineer's on the seniority list will submit their form seven (7) days prior to a change of timetable, in order of preference on the prescribed form, their choices at their home station and stations subsidiary thereto of road service assignments including pools, spare board, first locomotive engineer in passenger service, and positions as a "second employee in the cab" of a diesel locomotive on conventional passenger trains when a fireman/ helper is not available. In the application of this paragraph, a locomotive engineer will be permitted to also include choices of yard assignments as prescribed by paragraph 51.11 of Article 51.

51.11 All yard service assignments will be posted at the home station and stations subsidiary thereto at least 10 days in advance of change of timetable. All locomotive engineers on the seniority list who desire to exercise their seniority in yard service at the change of timetable will submit choices on the prescribed form in order of preference to the appropriate officer of the Company at least seven (7) days prior to the timetable change.

f) Clarify the intent and application of removing and returning employees to the working board by amending Article 1.2 of the May 5th, 1995 Memorandum of Agreement, as well as the same provisions in Addendum 62 of Agreement 1.2 and Item 6 of the 746 Memorandum of Agreement dated August 30, 1996 as follows:

Add new collective agreement provisions to revise agreements 1.2 and 4.3 as follows:

(i) When it can be determined that employees will be unavailable for the entire seven day period beginning on Friday, and will not require a turn prior to the next Friday, their turn will be removed from the working board."

(ii) "Employees scheduled for vacation who may be subject to commence a tour of duty that will not be completed prior to the board adjustment time may work that tour of duty, unless they voluntarily advise the Crew Management Centre to pull their turn prior to the commencement of that tour of duty. If an employee commences such tour of duty prior to board

adjustment time, their vacation will commence on the day following the date of commencement of the return tour of duty."

(iii) "An employee whose turn has been removed from the working board will, have their turn placed first out if returning coincident with the board adjustment time. If there is more than one employee returning they shall be placed in seniority order."

(iv) "Employees whose vacation has concluded will, at board adjustment time, be placed first out in seniority order in their respective pool or spareboard."

(v) "Employees whose vacation will be concluded on a day other than the board adjustment day, will establish a turn at board adjustment time."

(vi) "Spareboard employees not available at board change time who were off the board for reasons other than vacation will be returned to the spareboard when they become available, upon notification to the Crew Management Centre."

12. Employees working in yard service as a result of the use of employees at adjacent terminals - Agreement 1.2 and Agreement 4.3

The Council's proposal with respect to guarantees when employees are assigned to yard service, as a result of using employees at adjacent terminals is resolved as follows:

Employees required to work in yard service as a result of the use of employees from adjacent terminals will be required to follow the conditions of their assignment and, provided such employees meet the requirements of their assignment, any additional earnings will not be used to offset the guarantee. In the application of the above, the guarantee will be reduced by 1/13 for each shift missed in the event the employee fails to protect service. Employees will be assigned in yard service on a senior may / junior must basis, with preference given to beltpack qualifications."

13. Accommodations Enroute

The Council's proposal with respect to accommodations enroute, is resolved by amending Article 28.10 (b) of Agreement 1.2 , Article 29.10 (a) of Agreement 1.1, Article 35.15 (b) of Agreement 4.3 and Article 51.9 (a) of Agreement 4.16, by adding the following:

"When train crews are provided accommodations in the United States, they will be provided the allowance in U.S. funds where meals are not provided by the Company or at the Company's expense."

14. Initial Terminal Delay when Deadheading

The Council's proposal with respect to terminal detention when deadheading is resolved by amending Article 11.8 of Agreement 1.2 to read:

"Initial terminal time will be paid to locomotive engineers deadheading from the time ordered to report for duty."

15. Booking Rest

The respective proposal's concerning Booking Rest are resolved as follows:

a) Amend Article 49.3 of Agreement 1.2 to provide:

"Regularly assigned locomotive engineers will be entitled to book a minimum of 3 and a maximum of 14 hours rest upon completion of their shift in yard service."

b) Amend Article 37.4 of Agreement 1.2 as follows:

"Locomotive engineers in regularly assigned service laying off of their own accord or, where the permanent assignment is on only for a part of the work week, or booking rest, will receive their full proportion of the work week guarantee.

c) Amend Article 61.9 of Agreement 4.16 by adding the following:

61.9(b) Yard employees who report for duty and are afterwards cancelled, will be permitted to book up to eight hours rest and retain their relative position on the board.

d) Amend Article 28 of Agreement 1.2 and Article 35 of Agreement 4.3

Regular assigned employees may not book rest around their assignment when there is at least a 10-hour interval preceding the next tour of duty.

e) Amend Article 49 of Agreement 1.2

Regular assigned employees in yard service may not book rest around their assignment.

16. Protection of Seniority

The Council's proposal with respect to seniority protection is resolved by amending Article 45 of Agreement 1.1, Article 77 of Agreement 1.2, Article 132 of Agreement 4.3 and Article 80 of Agreement 4.16, to include the following:

Should an exercise of seniority occur through the abolishment of a permanent management position and result in the lay-off of a non-protected employee with two or more years of service, the following will be offered in seniority order for a period of 30 days to the classification and terminal affected:

1. Early retirement, or;
2. Severance, or;
3. Relocation.

17. Held for Investigation

The Council's proposal with respect to Held for Investigation is resolved by amending the respective Collective Agreement provisions as follows:

Agreement 4.3

1. Employees held for Company's investigations or on Company business on the order of the proper officer, will be paid as provided in paragraphs 123.2 and 123.3.

Agreement 1.2

75.1 Locomotive engineers who, during their off-duty time, are required to attend Company investigations or who are held off work by the Company for such investigations, and locomotive engineers who are held off work on Company business on order of the proper officer, will be paid as provided by paragraphs 75.2 and 75.3.

18. Overtime Yard Service - Agreements 1.2, 4.2 & 4.3 - Western Canada

The Parties' proposal with respect to Overtime in Yard Service is resolved by amending Article 41 of Agreement 1.2, Article 80 of Agreement 4.3 and Article 5 of Agreement 4.2, to include the following, and delete other references to work weeks which are in conflict with this provision:

"Employees who work more than five straight-time yard shifts in any classification in a work week shall be paid one and one-half times the straight-time rate for such shifts. The term "work week" for regularly assigned and spare employees shall mean a period of seven consecutive days starting at the board change time on each Friday."

19. Called and Cancelled

The Council's proposal with respect to Called and Cancelled is resolved by amending Article 32.1 of Agreement 4.3 by adding the following sentence:

"Train service employees who report for duty and are afterwards cancelled, will be permitted to book up to 8 hours rest at the home terminal and up to 6 hours rest at other terminals without affecting their turn."

20. Seamless Service Agreement 1.2 & 4.3

In order to meet operational requirements, employees in road service may be instructed to double over a designated cut of cars on their train to other tracks.

21. Runaround

(a) Revise Article 32.2 and 62.2 of Agreement 1.2 by deleting references to runs of "225 pay miles".

(b) Amend Article 32.2 of Agreement 1.2 by replacing the reference to 50 miles with 100 miles.

22. Rescue Service Agreement 1.2 & 4.3

Crews will be called in rescue service utilizing any one of the following options:

- o Yard crews within a distance of 50 miles outside established switching limits
- o Spareboard
- o Pool, extended run or single sub (when single sub crews are used they will be kept on their own territory)

23. Picking up and setting out trains en route

Revise Article 1 of Collective Agreement 1.2 and Article 13 of Collective Agreement 4.3 to include the following:

Employees in through freight service will be paid an allowance of 12 1/2 miles at the applicable rates when required to set out or pick up entire trains, including power, at a location en route between the initial and final terminals.

24. Special Duties - On Board Reporting Systems

Amend the Collective Agreements 4.3 and 4.16 to provide the following:

Yard or transfer employees responsible for On Board Reporting Systems (OBRS) will be allowed an additional arbitrary payment of 5 minutes at the applicable straight time rate of pay.

25. General Holidays

The CCROU's proposal with respect to General Holiday pay is resolved by amending the Collective Agreement as follows:

"Employees on Company business will have their General Holiday pay based on their last working tour of duty.

26. Annual Vacation

The CCROU's proposal with respect to Annual Vacation is resolved by amending Collective Agreements 1.1 and 4.16 as follows:

"Employees will be provided upon 72 hours notice by the employee to the Crew Management Centre, the ability to move vacation date(s) by 3 days either way of the date scheduled to begin."

27. Traffic Coordinators

The CCROU's proposal with respect to Traffic Coordinator's is resolved by amending the Collective Agreements as follows:

Regularly assigned Traffic Coordinators will be allowed to book between 3 and 8 hours rest upon completion of their tour of duty, providing the rest booked will not interfere with them filling their assignment.

28. General

a) The foregoing changes, are in full settlement of all requests served by and upon the Company and the Council referred to on the cover page of this Memorandum of Agreement before, on, or subsequent to October 1, 1997, without stoppage of work during the continuance hereof.

b) This Memorandum of Agreement supercedes all previous agreements, rulings or interpretations which are in conflict therewith and shall remain in full force and effect until December 31, 2000, and thereafter, subject to 90 days notice in writing by either party to this agreement of its desire to revise, amend or terminate it. Such notice may be served any time subsequent to September 30, 2000.

c) Employees who perform service subsequent to December 31, 1997 shall be entitled to any amount of compensation that may be due them as a result of the signing of this

Memorandum of Agreement.

Signed at Montreal, Quebec this 13th day of February, 1998.

FOR THE CANADIAN NATIONAL FOR THE CANADIAN COUNCIL OF
RAILWAY COMPANY RAILWAY OPERATING UNIONS

R.J. Dixon R. LeBel

Assistant Vice-President General Chairperson

Labour Relations and

Employment Legislation

K. Heller R. Long

Senior Vice-President General Chairperson

Line Operations

D.W. Coughlin M.P. Gregotski

Director Labour Relations General Chairperson

M.W. Becker B.J. Henry

Manager Labour Relations General Chairperson

J.T. Torchia M.J. Janssen

Manager Labour Relations Vice-General Chairperson

J. Pasteris B.E. Wood

Manager Labour Relations General Chairman

M.M. Boyle R. Dyon

System Director General Chairman

Workforce Strategies

D. Veenis M. Simpson

Manager Workforce Strategies General Chairman

M. Moroz D. Shewchuk

Manager Workforce Strategies Senior Vice-General Chairman

B. Hogan D.E. Brummund

Manager Workforce Strategies Vice-General Chairman

D.K. House G. Broda

Manager Workforce Strategies Secretary/Treasurer

B. Conroy R. Beatty

Operations Service Leader Vice-General Chairperson

J. Kane J. Robbins

Crew Coordinator Vice-General Chairperson

M. Vanier C. Smith

Labour Relations Planning Officer Vice-General Chairman

M. Stock P. Vickers

Labour Relations Officer Vice-General Chairman

J. Dixon G. Anderson

Assistant Manager Secretary, GCA

Labour Relations

F. Price

Local Representative

APPROVED:

W.G. Scarrow

Chairperson

G. Hallé

Vice-Chairperson

APPENDIX A



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

This refers to the recently concluded negotiations and our discussion with respect to the Company's flex benefit plan and the possibility of employee paid supplements to the Weekly Indemnity Benefit Plan and the possibility of establishing an employee paid Long Term Disability Insurance Plan, the latter through payroll deduction.

APPENDIX A

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It was agreed that representatives of the Company and the Council would meet to discuss these issues during the closed period of the contract. It was also agreed that the first meeting would be scheduled to commence at a mutually convenient time, no later than 120 days following the ratification of the Memorandum of Agreement.

Yours truly,

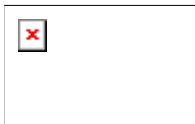
Assistant Vice-President
Labour Relations and
Employment Legislation

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong

APPENDIX B



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

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

APPENDIX B

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This will confirm that the matter of pass transportation benefits has been resolved on the basis that, subject to the demands of the traveling public, the present pass policies on CN will be maintained for employees represented by you who were in the service of CN on or prior to March 13, 1979, until the time notices are served on or subsequent to September 30, 2000, and thereafter until the provisions of Section 89 of part I of the Canada Labour Code have been complied with or until some other mutually satisfactory resolution of this matter is agreed.

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

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

Yours truly,

Assistant Vice-President

Labour Relations and

Employment Legislation

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong

APPENDIX C

System of Pay - Eastern Canada

During negotiations, an agreement was reached for implementation and ongoing monitoring of a new system of pay for Eastern Canada.

It was decided in order to protect the Parties, the following set of principles will be used to guide the development and implementation:

Principles of Pay System Eastern Canada

1. A new pay system will be implemented in Eastern Canada.
2. The new pay system will be cost neutral.
3. As far as practicable employees will be scheduled. It is recognized that a certain degree of flexibility may be required to cover specific operational problems, such as but not necessarily limited to; Major Service Disruptions and Extended Day (where required) etc.
4. The new Pay System will, to the extent possible, be administratively maintenance free.
5. The new Pay System will be directed towards productivity, performance and accountability.
6. Animosity surrounding present system of pay will be eliminated.
7. Appropriate work rules defining management and employee obligations and responsibilities with respect to the new pay system will be provided.
8. It is recognized that under the present Pay System there is a monetary difference between the craft of Locomotive Engineer and Conductor and it is agreed, on completion of the new Pay System, that such monetary difference will not be decreased or increased as a result of the new method of pay.

9. The Company and Union agree that a number of issues, not necessarily related to the new pay system may, if mutually agreed, be considered by the Development Committee without obligation on either party.

APPENDIX C

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The Parties agree to the following Committee structure for implementation and monitoring of the New Pay System.

Development Committee

Consisting of:

One Representative of each General Chairman/Chairperson of the constituent Unions of the CCROU (BLE & UTU)

Two Senior Company Officers

Frequency:

Full time until the new Pay System is implemented. The Development Committee will work as a unit until full implementation in Eastern Canada is completed.

Mandate:

Develop and implement a new Pay System and related workplace changes.

Resolve issues arising pursuant to such implementations.

Control Committee

Consisting of:

The Respective General Chairman/Chairperson of the two CCROU constituent Unions (the UTU and BLE)

Senior Company Officers

Frequency:

As required.

Mandate:

Provide direction for the Development Committee as required.

APPENDIX C

Page 3

The Parties agree that employees will not be adversely affected as a result of the introduction of the new Pay System. However, the Development Committee will have the mandate to determine adverse affects in the unlikely event that there is an impact on employees. If it is determined that adverse affects have occurred, the Development Committee will have the mandate to address the matter and determine remedial action, including any benefits covered by the Material Change provisions of the Collective Agreements. Application of the Collective Agreements, such as mileage regulations, will not constitute an adverse affect.

Implementation will be jointly co-ordinated with defined time frames.

For the purpose of payment, committee work will be considered Company initiated meetings.

Dispute Procedure - Eastern Canada

1. This dispute procedure shall be limited to the resolution of disputes arising from implemented workplace changes resulting from the implementation of the new Pay System.
2. All disputes referred to in paragraph 1 will first be progressed to the Development Committee and will include a written suggested remedy. The Development Committee will confer on the dispute within 15 calendar days, from the date the dispute is received. If the Development Committee is unable to resolve the dispute, they may progress the dispute, within 15 days to the Control Committee. If so progressed, the dispute must be in writing to all members of the Control Committee and will include suggested remedies to the dispute.
3. The Control Committee will, within 30 days of receipt of a dispute confer regarding resolution. If unable to resolve the dispute, such dispute may be progressed by any member of the Control Committee to a Mediator/Arbitrator process for final and binding resolution.
4. Such disputes will be referred to the Mediator/Arbitrator within 30 days from the date of the Control Committee meeting, wherein the dispute was not resolved.
5. It is agreed the costs and expenses of the Mediator/Arbitrator will be equally shared by the Company and the CCROU (BLE & UTU).
6. Unless otherwise mutually agreed to between the parties, the Mediator/Arbitrator will be the same who is appointed by the parties to handle all disputes at the Canadian Railway Office of Arbitration.

APPENDIX C

Page 4

Implementation Schedule

A pilot of the new System of Pay will be implemented by the fourth quarter of 1998.

Completion of the new System of Pay will be targeted for the second quarter of 1999 for Eastern Canada.

Signed at Montreal, Quebec this 13th day of February, 1998.

K.L. Heller
Senior Vice-President
Line Operations

R. LeBel
General Chairperson

M.M. Boyle
System Director
Workforce Strategies

R. Long
General Chairperson

B.J. Hogan
Manager Workforce Strategies

M.P. Gregotski
General Chairperson

D.K. House
Manager Workforce Strategies

B.E. Wood
General Chairman

R. Dyon
General Chairman

R. Beatty
Vice-General Chairman

P. Vickers

Vice-General Chairman

J. Robbins

Vice-General Chairman

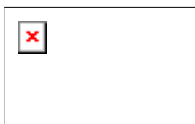
C. Smith

Vice-General Chairman

F. Price

Local Representative

APPENDIX D



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

During this round of negotiations the Council raised several issues with the Company with respect to employees learning the road. The Council was concerned that as a result of material change notices, normal application of the collective agreement, or employees forced to protect positions on the seniority territory account no applications received, employees may be required to work territory they were not fully familiar with.

APPENDIX D

Page 2

The Company explained that there are already arrangements in place, some of them specifically negotiated as a result of material change notices. These arrangements ensured employees in the aforementioned circumstances were familiar with the territory. It was satisfied overall that all employees were properly familiar in the circumstances described. However, if there are any issues concerning the aforementioned, the matter should be handled directly between the General Chairman/Chairperson and the District Superintendent involved.

Yours truly

Senior Vice-President

Line Operations

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong

APPENDIX E



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

During the last round of negotiations the Council recommended that, prior to the printing of the collective agreements, they be provided the opportunity to proof read the collective agreements. The Company is in agreement to provide the Council copies of the collective agreements and diskettes in both official languages to be proof read prior

APPENDIX E

Page 2

to printing. It is understood that Collective Agreements 1.2 and 4.3 will be reproduced and will contain the

negotiated changes within 120 days following ratification of the Collective Agreement unless mutually agreed.

Yours truly

Assistant Vice-President

Labour Relations and

Employment Legislation

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong

APPENDIX F



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

M. Simpson B.J. Henry

General Chairman General Chairperson

C.C.R.O.U. C.C.R.O.U.

No. 2 - 3012 Louise Street 8616 - 51 Avenue, Suite 309

Saskatoon, Sask. S7J 3L8 Gallery 51

Edmonton, Alta. T6E 6E6

Gentlemen:

During this round of negotiations, the Parties met to discuss Service Requirements at shortage terminals. The Parties have agreed to meet within 90 days of ratification during the closed period of the collective agreements to address the following issues:

- o Craft to craft shortages.
- o Yard versus Road shortages.
- o Temporary versus Permanent Shortages.
- o Examine bulletining criteria to address terminal specifics and appropriate time frames.
- o Permanent relocation of employees to terminals experiencing chronic shortages.
- o Use of employees at adjacent terminals.

Yours truly, I concur:

M. Simpson

Assistant Vice-President

Labour Relations and

Employment Legislation

B.J. Henry

APPENDIX G



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

M. Simpson B.J. Henry

General Chairman General Chairperson

C.C.R.O.U. C.C.R.O.U.

No. 2 - 3012 Louise Street 8616 - 51 Avenue, Suite 309

Saskatoon, Sask. S7J 3L8 Gallery 51

Edmonton, Alta. T6E 6E6

Gentlemen:

During this round of negotiations, the Parties met to discuss the banking of General Holidays. It was recognized that there is value in entering into such an arrangement and the parties are committed to work together to overcome the administrative and workforce issues that a change of this nature presents.

The Parties have agreed to meet within 90 days of ratification of this Memorandum of Agreement to begin discussions.

Yours truly, I concur:

M. Simpson

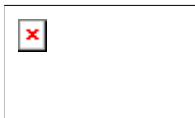
Assistant Vice-President

Labour Relations and

Employment Legislation

B.J. Henry

APPENDIX H



Human Resources

Canadian National

Box 8100

Ressources humaines

Canadien National

C.P. 8100

Montreal, Quebec, Canada

Montréal (Québec) Canada

H3C 3N4

H3C 3N4

Montreal, Quebec, February 13, 1998

M. Simpson B.J. Henry

General Chairman General Chairperson

C.C.R.O.U. C.C.R.O.U.

No. 2 - 3012 Louise Street 8616 - 51 Avenue, Suite 309

Saskatoon, Sask. S7J 3L8 Gallery 51

Edmonton, Alta. T6E 6E6

Gentlemen:

During this round of negotiations, the Parties met to discuss the issue of Crew Scheduling.

The parties mutually recognize the value of crew scheduling and the benefits derived therefrom. The crew scheduling provided under this initiative serves to enhance safety and to promote an improved lifestyle. To accommodate the benefits inherent in this initiative the parties are committed to work in a cooperative manner to achieve the effective implementation of this initiative.

Accordingly, the Parties recognize the need to address issues related to the implementation of crew scheduling during the closed period and to make adjustments or revisions to collective agreement articles directly affected by this initiative, as mutually agreed, subject to the following dispute resolution process:

1. The parties are committed to resolve issues arising from this agreement in an expeditious manner.
2. Should an issue arise concerning implementation and application of this agreement it will be addressed by the Steering Committee.
3. Failing resolve by the Steering Committee the parties may mutually agree to submit the issues to a mutually acceptable Mediator/Arbitrator for final and binding resolution.
4. It is agreed that costs and expenses of the Mediator/Arbitrator will be equally shared by the Company and CCROU (BLE & UTU).

APPENDIX H**Page 2**

5. Unless otherwise mutually agreed to between the parties, the Mediator/Arbitrator will be the same Arbitrator who is appointed to the Canadian Railway Office of Arbitration.

Yours truly,

Assistant Vice-President

Labour Relations and

Employment Legislation



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

During the last round of negotiations, the Council advised the Company that on occasions, employees involved in critical incident situations were required to continue work. The Council was seeking assurances that in these incidents, such as those involving fatalities, employees would be relieved of duty without incurring any financial loss.

Page 2

As you are aware, the Critical Incident Response Program is part of the Company's EFAP program and any contentious issues involving critical incident stress can be handled through the Senior Advisory Committee, of which the CCROU is a member.

However, to ensure all are aware, the program guide will be reissued to affected Company offices and Rail Traffic Control Centres.

The Council indicated this satisfied their concerns.

Yours truly:

Senior Vice-President

Line Operations

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong



Human Resources

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.J. Henry

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

Country Square 8616 - 51 Avenue, Suite 309

516 Garrison Road, Unit 5 Gallery 51

Fort Erie, Ont. L2A 1N2 Edmonton, Alta. T6E 6E6

B.E. Wood R. Dyon

General Chairman General Chairman

C.C.R.O.U. C.C.R.O.U.

2 Dartmouth Road, Suite 210 3610 Valiquette St., Suite 200

Bedford, N.S. B4A 2K7 St. Laurent, Que. H4S 1X8

M. Simpson

General Chairman

C.C.R.O.U.

No. 2 - 3012 Louise Street

Saskatoon, Sask. S7J 3L8

Gentlemen:

One of the issues the Council raised was paternity and maternity leave, with much of the dialogue centered on the use of light and modified duties for pregnant employees.

Page 2

As you are aware, current Company policy for unionized employees requires that, upon request, and where practicable, the Company shall modify the employee's job functions or reassign her to another job, if the continuation of the current job functions poses a risk to the health of the employee, the fetus or child.

To resolve the issue, the Parties agreed that the Council shall participate in the modification of job functions or reassigning the employee to another job. If it is required, the matter would be handled between the General Chairmen/Chairpersons and District Superintendent.

Yours truly,

Assistant Vice-President

Labour Relations and

Employment Legislation

cc: W.G. Scarrow

G. Hallé

J.W. Armstrong



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Montreal, Quebec, Canada

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Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

M. Simpson B.J. Henry

General Chairman General Chairperson

C.C.R.O.U. C.C.R.O.U.

No. 2 - 3012 Louise Street 8616 - 51 Avenue, Suite 309

Saskatoon, Sask. S7J 3L8 Gallery 51

Edmonton, Alta. T6E 6E6

Gentlemen:

One of the issues raised during this round of negotiations addressed the calculation with respect to guarantees for employees assigned to yard service as a result of using employees at adjacent terminals.

In view of the revised obligation for employees to follow their assignment, as opposed to the former requirement under the Memorandum of Agreement dated May 5, 1995 to protect all work opportunities, the reduction in the guarantee amount (1/13th) was amended to be commensurate with this revised obligation.

Yours truly,

J.T. Torchia

Manager Labour Relations

-

-



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C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel R. Long

General Chairperson General Chairperson

C.C.R.O.U. C.C.R.O.U.

1026 St. Jean Street, Suite 200 325 West Street, #200, Building A

Quebec, Que. G1R 1R7 Brantford, Ont. N3R 6B7

M.P. Gregotski B.E. Wood

General Chairperson General Chairman

C.C.R.O.U. C.C.R.O.U.

Country Square 2 Dartmouth Road, Suite 210

516 Garrison Road, Unit 5 Bedford, N.S. B4A 2K7

Fort Erie, Ont. L2A 1N2

R. Dyon

General Chairman

C.C.R.O.U.

3610 Valiquette St., Suite 200

St. Laurent, Que. H4S 1X8

Gentlemen:

During negotiations, the Unions expressed a concern surrounding the Company implementing a new blocking system with respect to maintenance of earnings as described in CROA case 2866.

It was recognized by both the Company and the Union that the introduction of a new system of pay would significantly alter the requirement for modification of the present blocking system.

It is anticipated after the introduction of the new system of pay that some modification of the present blocking system may be required to ensure consistency throughout Eastern Canada.

Page 2

It is agreed that the Development Committee will address any required revisions that may be required to the blocking system in conjunction with the implementation of the new system of pay. If unable to mutually resolve the issue it will be referred to the dispute procedure as indicated in Appendix C of this Memorandum of Agreement.

Yours truly,

Senior Vice-President

Line Operations

cc: W.G. Scarrow

G. Hallé

Human Resources**Ressources humaines**

Canadian National

Canadien National

Box 8100

C.P. 8100

Montreal, Quebec, Canada

Montréal (Québec) Canada

H3C 3N4

H3C 3N4

Montreal, Quebec, February 13, 1998

R. LeBel

General Chairperson

C.C.R.O.U.

1026 St. Jean Street, Suite 200

Quebec, Que. G1R 1R7

Dear Mr. LeBel:

During this round of negotiations which culminated in the Memorandum of Agreement dated February 13, 1998, the Union raised the concern with respect to the consist of yard crews (CSA) at Saint-John, NB.

To address this concern it was agreed that the appropriate Senior Company Officer will meet in Saint John with Mr. W.G. Scarrow, Chairperson, CCROU, to objectively assess whether the present crew consist is safe and efficient under prevailing operating conditions and if necessary, identify remedial action.

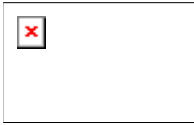
Yours truly,

K.L. Heller

Senior Vice-President

Line Operations

cc: W.G. Scarrow

Human Resources**Ressources humaines**

Canadian National

Canadien National

Box 8100

C.P. 8100

Montreal, Quebec, Canada

Montréal (Québec) Canada

H3C 3N4

H3C 3N4

Montreal, Quebec February 13, 1998

B.J. Henry M. Simpson

General Chairperson General Chairman

C.C.R.O.U. C.C.R.O.U.

8616 - 51 Avenue, Suite 309 No. 2 - 3012 Louise Street

Gallery 51 Saskatoon, Saskatchewan S7J 3L8

Edmonton, Alberta T6E 6E6

Gentlemen:

During this round of negotiations, the Council raised a concern with the Company that on occasions, employees working on single sub territory and performing rescue service were required to rescue trains off their regularly assigned subdivision.

This will confirm that single sub employees, when called for rescue service, will be restricted to their regularly assigned subdivision.

Yours truly,

K.L. Heller

Senior Vice-President

Line Operations

**Human Resources**

Canadian National

Box 8100

Montreal, Quebec, Canada

H3C 3N4

Ressources humaines

Canadien National

C.P. 8100

Montréal (Québec) Canada

H3C 3N4

Montreal, Quebec, February 13, 1998

M. Simpson B.J. Henry

General Chairman General Chairperson

C.C.R.O.U. C.C.R.O.U.

No. 2 - 3012 Louise Street 8616 - 51 Avenue, Suite 309

Saskatoon, Sask. S7J 3L8 Gallery 51

Edmonton, Alta. T6E 6E6

Gentlemen:

During negotiations the Council stated their concerns that the intent of articles 28.8 of Agreement 1.2 and 35.13 of Agreement 4.3 was not being met with sufficient frequency.

The company reaffirmed it's commitment to take the necessary steps to fulfill its obligation in this regard. In order to maintain a continuing focus on this issue, the number of occurrences will be tracked to provide for an ongoing assessment.

Should this data give rise to further concerns on the council's part, it will be within their prerogative to re-open the matter for further discussion.

Yours truly,

K.L. Heller

Senior Vice-President Operations

