

AGREEMENT

For the Period

January 1, 2002 to December 31, 2004

between

THE ESSEX TERMINAL RAILWAY COMPANY

and

THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Covering

Rates of Pay and Articles

for

Locomotive Engineers and Hostlers

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AGREEMENT
between
THE ESSEX TERMINAL RAILWAY COMPANY
and
THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS
for
Locomotive Engineers and Hostlers

The BROTHERHOOD OF LOCOMOTIVE ENGINEERS acknowledges that it is the exclusive function of the Company to operate and manage its business in all respects and, without limiting the generality of the foregoing, the Union acknowledges that, subject to the express provisions of this Agreement, it is the right of the Company to:

- (1) hire, direct, layoff, classify, promote, demote, suspend, discipline and discharge employees for just cause, subject to the right of a seniority employee to lodge a grievance as hereinafter provided;
- (2) maintain order, discipline and efficiency;
- (3) make and alter, from time to time, rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with the express provisions of this Agreement; and
- (4) determine the location of buildings and equipment, the methods and means of operation.

Without restricting or limiting the generality of the foregoing, the Company retains all rights not specifically relinquished or modified by this Agreement.

The Company agrees that it will exercise its rights in a fair and equitable manner.

The Essex Terminal Railway Company acknowledges that regularly constituted committee of The Brotherhood of Locomotive Engineers to be the bargaining Representative on behalf of the Engineers and Hostlers. The right to make and interpret contracts, Articles, Articles of pay and working Agreements for Engineers and Hostlers shall be vested in the Company and those representatives.

The word "Engineers" and "Hostlers" as used hereinafter shall be understood to mean any employee holding seniority under this Agreement.

BLE**ARTICLE 1 Rates of Pay**

ARTICLE 1.1 The rates of pay will be calculated on an hourly basis effective the first day of January of each year:

Hourly Rates for:	2002	2003	2004
Locomotive Engineer	\$25.60	\$26.11	\$26.64
Hostler	\$20.03	\$20.43	\$20.84
Trainee (Locomotive Engineer)	\$15.36	\$15.67	\$15.98
Trainee (Hostler)	\$12.02	\$12.26	\$12.50

ARTICLE 1.2 Shift Differentials: Shift differentials will be paid at 45 cents per hour to all employees whose regularly assigned shifts commence between 14:30 hours and 22:29 hours, and 50 cents per hour paid for those commencing their shifts between 22:30 hours and 06:29 hours. The shift differential will be paid on time worked only and overtime shall not be calculated on the shift differential nor shall the shift differential be paid for absence from duty such as vacations, general holidays, etc.

ARTICLE 1.3 Pay Cheques: The Company will continue to issue pay cheques every second Thursday.

ARTICLE 1.4 Overtime: For all time worked in excess of eight (8) hours continuous service in a twenty-four (24) hour period, Engineers and Hostlers will be paid at the rate of one and one-half (1 1/2) times the hourly rate. The shift differential will not be included in overtime rate calculations.

ARTICLE 1.5 Multi-Unit Allowance: A multi-unit allowance will be paid \$2.80 per shift for 2002, \$2.85 for 2003 and \$2.91 for 2004 (dead or running).

ARTICLE 2 Benefits

ARTICLE 2.1 All claims are governed by the respective master policy and become effective on the first of the month following signing.

ARTICLE 2.2 Weekly Indemnity: Effective the first of the month following signing of this Agreement, a 1/4/26 Plan will be purchased providing a benefit of 65% of earnings to a maximum of \$500 per week for non-occupational bodily injury, disease or pregnancy. Employees will pay premiums in excess of the premium amount at February 1999.

ARTICLE 2.3 Group Life Insurance: The program provides \$35,000 coverage with the Company paying all premiums effective March 1, 1999. Employees will be permitted to purchase additional group coverage on a voluntary basis at their own expense in \$5,000 units, maximum \$100,000 additional.

ARTICLE 2.4 Accidental Death and Dismemberment: The Company will pay the premium cost for \$30,000 of coverage.

ARTICLE 2.5 Extended Health Benefit Plan: Effective the first of the month following the signing of this Agreement an 80%-20% co-pay plan \$10.00-\$20.00 deductible will be purchased for each employee and their dependents, the annual premium cost paid by the Company.

ARTICLE 2.6 Dental Plan: Employees will receive an 80%-20% co-pay preventative plan which includes checkups, cleaning, fillings, extraction's, x-rays, root canals, periodontal and endodontal services to a maximum of \$900 per family member per year for 2002, \$950 for 2003 and \$1,000 for 2004. The insurance would be maintained at annual ODA levels during this contract commencing July 1, 1996

ARTICLE 2.7 Visio. Plan: he Company agree to pay \$75.00 per eligible family member every two years upon presentation of satisfactory evidence that the employee or family member has purchased glasses prescribed by a qualified physician.

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- ARTICLE 2.8** Boot Allowance: Employees will be provided with a \$100 safety boot allowance once yearly on submission of suitable proof of purchase.
- ARTICLE 2.9** Conditions for Loss of Medical / Dental Benefits: If for any reason other than a work stoppage or a voluntary leave of absence an employee is unable to perform his normal or assigned duty for a period longer than three (3) months, the Company paid or Company-employee paid medical and dental benefits will be suspended as of the first day of the fourth month. Benefits other than dental and medical will be suspended in accordance with provisions of the Group Insurance Contract. Benefits will be continued for a further three (3) month period, with the Company and the employee sharing the cost of the premium equally, provided the employees has paid his portion of the premiums to the Company prior to the first of the month for which coverage applies. Where permitted by the Group Insurance Contract, employees will be permitted to further continue medical and dental benefits, provided the employee has paid the total cost of the premiums to the Company prior to the first of the month for which coverage applies. Life or disability benefits may or may not be extended according to the provisions stated in the Group Insurance Contract.
- ARTICLE 2.10** Retirees: Employees retiring after ten (10) years of cumulative service will have the option at the time of retirement of purchasing \$1,000 of paid-up life insurance which the Company undertakes to match.
- ARTICLE 2.10.1** Employees retiring with pension after fifteen (15) years or more of continuous service, the Company will pay:
- ARTICLE 2.10.2** extended health care, an 80%-20% co-pay, \$10.00-\$20.00 deductible will be provided;
- ARTICLE 2.10.3** paid up, life insurance of \$2,000, the full cost being assumed by the Company;
- ARTICLE 2.10.4** Note: At the retiree's option a retiring allowance may be substituted for Company paid life insurance,

in an amount equal to the premium otherwise payable by the Company.

ARTICLE 2.11 Bereavement: Upon the death of an employee's spouse, child, parent, brother, sister, step-parent, father-in-law or mother-in-law, the employee shall be entitled to three (3) consecutive calendar days' bereavement without loss of pay. Time off may be adjusted to cover the actual date of the funeral service. The employee will be entitled to one (1) day of bereavement leave to attend the funeral service of a grandparent without loss of pay.

ARTICLE 2.11.1 Intent of this Article: It is the intent of this Article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted, (provided he has not less than six months cumulative compensated service). It will be the Company's intention here to reserve the right to ask for proof of death.

ARTICLE 2.11.2 Definition of eligible spouse: is "the person who is legally married to the Eligible Employee and who is residing with or supported by the Eligible Employee, provided that if there is no legally married spouse that is eligible, it means the person that qualifies as a spouse under the definition of the words in Section 2(1) of the Canadian Human Rights Benefit Regulations, so long as such person is residing with the Eligible Employee."

ARTICLE 3 Hours of Work, Meal Period and Rest Breaks

ARTICLE 3.1 A work week for assigned employees, consisting of five (5) days of eight (8) hours each is established with two (2) consecutive days off in each seven (7).

ARTICLE 3.2 Definition of Work Week: The term "work week" for regularly assigned Engineers and Hostlers shall mean a week beginning on the first day on which the assignment is contemplated to work.

ARTICLE 3.2.1 Hours of Work: Eight (8) hours where practicable or less shall constitute a day's work (shift).

ARTICLE 3.3 Reporting for Duty: Locomotive Engineers will appear on duty ten (10) minutes before time required to leave Shop track or commence work as a unit with the Yard crew, and will sign the pre-departure inspection sheet. This ten (10) minutes time will be an arbitrary allowance and paid for at straight time.

ARTICLE 3.3.1 Reporting for Duty - Cancelled: Engineers and Hostlers called and not cancelled one (1) hour before reporting for service will be paid for two (2) hours at scheduled rate. If held for duty in excess of four (4) hours they will be paid for eight (8) hours. In the event they perform any Yard service after reporting for work, eight (8) hours will be paid.

ARTICLE 3.3.2 Second Shifts: Unassigned men who are required to work two (2) shifts in a twenty-four (24) hour period will be paid at straight-time rates for the second shift providing eight (8) hours elapses following completion of the initial shift.

ARTICLE 3.4 Rest: Locomotive Engineers may book rest after nine (9) or more hours on duty by giving the Yardmaster at least four (4) hours notice along with the number of hours of rest desired. This shall not apply to employees in covered service unavoidably delayed or required for emergency service resulting from unforeseen occurrences.

ARTICLE 3.4.1 The Engineer is to be the judge of his own condition.

ARTICLE 3.4.2 Engineers will not be required to report for duty until they have had eight (8) hours off duty for rest if desired. Such time off duty must be booked on completion of tour of duty; in no case shall period off duty be less than eight (8) hours nor more than fourteen (14) hours including call time. The period booked off duty shall be in even hours and not to a certain hour, and once booked may not be changed or cancelled.

ARTICLE 3.5 Overtime: Assigned Engineers and/or Hostlers worked more than five (5) straight-time, eight-hour shifts, in a work week shall be paid one and one-half (1

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1/2) times the basic straight-time rate, in accordance with ARTICLE 3.5.1. Vacation and holiday pay will be used to calculate compensated service.

ARTICLE 3.5.1 Two Shifts: Overtime will not be paid as set out in ARTICLE 1.4 and ARTICLE 4.1.3 when changing off where it is the practice to work alternately days and nights for certain periods, working through two (2) shifts to change off or when exercising seniority rights from one assignment to another.

ARTICLE 3.5.2 Shift Differential: Overtime shall not be calculated on a shift differential nor shall the shift differential be paid for any absence from duty, i.e., vacations, general holidays, etc.

ARTICLE 3.6 Meal Period: Locomotive Engineers and Hostlers will be allowed twenty (20) minutes for lunch beginning between four (4) hours and five (5) hours and ten (10) minutes after starting work without any deduction in pay, and will not be required to take work orders during lunch period. Suitable locker and lunchrooms will be provided by the Company.

ARTICLE 3.6.1 Overtime Meals: The Company will provide \$8.00 toward the value of an overtime meal if an employee is required to work more than ten (10) hours in one shift. In event of two (2) shifts worked in a twenty-four (24) period \$8.00 will be paid for sixteen (16) hours or more.

ARTICLE 3.7 Booking Off: Engineers desiring days off must book off and notify the proper authority as to the reason they are unavailable for work, and the job will be advertised as per ARTICLE 6.3 until they book on.

ARTICLE 4 **Assignments**

ARTICLE 4.1 Definition of Assignment: A Yard Engineer working regularly for five (5) consecutive days or more shall be considered a regular assignment.

ARTICLE 4.1.1 At least one regular assignment shall be scheduled between the hours of 06:00 hours and 12:00 noon.

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- ARTICLE 4.1.2** Starting Times: Regularly assigned Engineers shall each have a fixed starting time and the starting time shall not be changed without at least twelve (12) hours advance notice. When the starting time of an assignment is changed, the Locomotive Engineer affected may make another choice of assignments, such choice to be made at the time the change is made known.
- ARTICLE 4.1.3** Two Shifts: Regularly assigned men who are required to work two (2) shifts in their twenty-four (24) hour period will be paid a the rate of one and one-half (1 1/2) times the hourly rate for the second shift with a minimum of eight (8) hours. Locomotive Engineers will be permitted to book off-duty for rest after eight (8) hours on such second tour of duty, provided they were not informed that overtime might be worked by the assignment when they accepted the call for the assignment.
- ARTICLE 4.1.4** An employee who has been off his regular assignment for any reason must give at least three (3) hours advance notice during regular Essex Terminal Railway Company hours before he will be permitted to return to his assignment. When the regular Locomotive Engineer reports O.K. for duty, the employee who has been filling the vacancy will be permitted to return to his regular assignments.
- ARTICLE 4.2** Reducing Assignments: The Company may reduce the number of regular assignments at any time when in its opinion it becomes necessary upon twenty-four (24) hours notice.
- ARTICLE 4.2.1** In the event of reduction in number of Engineers, Junior Engineers who have previous seniority in the Engine House may revert back to Hostler with seniority rights to date in the Company's service.
- ARTICLE 4.2.2** In the event of a job being cancelled for twelve (12) hours or longer, men will revert back to their respective seniority.
- ARTICLE 4.3** Days Off: Extra or unassigned employees, including spare Engineers, may work any five (5) days in a work week, and their days off need not be consecutive.

ARTICLE 4.4 Designated Points: Regularly assigned Engineers shall have designated points for going on and off duty.

ARTICLE 5 **Job Descriptions / Crews**

ARTICLE 5.1 Trainees: An employee prior to assuming a new posting may be required by the Company to undergo observation, demonstration and qualifying tours of duty, under the direction and guidance of a qualified Locomotive Engineer.

ARTICLE 5.1.1 When such an employee is in possession of a temporary operating letter signed by the appropriate officer of the Company, he may be permitted to operate the locomotive under the direction and at the discretion of the Locomotive Engineer.

ARTICLE 5.1.2 The Locomotive Engineer will provide such advice counsel and supervision as may be required to ensure safe operation of the locomotive and/or train and assist in the instruction of the designated employee.

ARTICLE 5.1.3 The Locomotive Engineer will be required to complete progress reports and comment on incompetence, lack of judgement or other detrimental traits or attitudes of the trainee.

ARTICLE 5.1.4 The Company reserves the right to designate the employees eligible for such training, and in the case of an Engineer trainee qualified on another railroad would restrict such training to a maximum of five (5) days or less at the discretion of the Company. The Company will endeavor to conduct the training during one (1) consecutive period.

ARTICLE 5.1.5 Training Allowance A training allowance will be payable to the Locomotive Engineer for each shift at a rate of \$19.83 for 2002, \$30.42 for 2003, \$31.03 for 2004. This allowance shall be payable in addition to his regular rate of pay.

ARTICLE 5.2 New Employee: A new employee shall not be regarded as permanently employed until after sixty-five (65) tours of duty and within such period may, without

investigation, be removed for cause which in the opinion of the Railway renders him undesirable for its service. If retained, his seniority shall commence from the date on which he first entered service. A new employee will qualify for Boxing Day, his Birthday holiday, and the Floater ARTICLE 15.1 only after twelve (12) months of compensated service.

ARTICLE 5.3 Inspection Time: Locomotive Engineers will receive allowance of ten (10) minutes as inspection time at the end of the day. Inspection time will begin when engine is in place on Shop track, or when Engineer is released at regular change-off point. This ten (10) minutes time will be an allowance and paid for time in excess of eight (8) hours.

ARTICLE 5.4 Last Engine: The last engine used each day will be shopped, provided the doors of the locomotive house are open, and it will then be shut down, and if a Hostler is not on duty, engines will be secured, for which the Engineer will be paid for ten (10) minutes time at the pro rata rate. (If the doors of the locomotive house are unopened the engine will be shut down, secured and locked and left outside). If there is an early quit, payment as described above will not be made.

ARTICLE 6 **Advertisement of Positions**

ARTICLE 6.1 Postings: All assignments will be advertised twice a year for three (3) days, closing date being the Wednesday prior to April 1st and October 1st, and all Locomotive Engineers and Hostlers will be required to bid on assignment of their choice.

ARTICLE 6.1.1 All permanent and temporary vacancies and additional regular assignments will be advertised for three (3) days. Known vacancies, of at least five (5) days' duration will be advertised in advance. All applications for same are to be in writing and must be in no later than 16:00 hours on the third day. This will apply to any three (3) days of the week except when a bid normally closes Saturday or Sunday at 16:00 hours, then Monday at 16:00 hours will be considered the closing date. When a bid normally

closes on a legal holiday at 16:00 hours, then the following day at 16:00 hours will be considered the closing date.

ARTICLE 6.2 Regular Assignment Descriptions: Each regular assignment, when advertised, shall be described as to the hours of assignment, the days of the week to be worked, and the location of the work. The Yardmaster on duty shall direct crews by written order, whenever possible, and perform temporarily other work at other locations as the need arises.

ARTICLE 6.3 Advertisements and Temporary Vacancies: During the three (3) days' advertisement, temporary vacancies caused by regularly assigned Engineers being on leave of absence or off their assignments, shall be filled by the senior Engineer not working as such to be considered as first out every twenty-four (24) hours. At the expiration of the three (3) days' advertisement the senior Engineer not working as such shall be assigned and hold the job until the regular man returns to work.

ARTICLE 6.3.1 Subsequent vacancies may be claimed in twenty-four (24) hours but will not be advertised.

ARTICLE 7 Filling of Positions

ARTICLE 7.1 Vacancies: All vacancies not regularly assigned, are to be worked by unassigned Engineers, not on regular work week assignments as Enginemen. The senior unassigned Engineman who has not accepted work or is not engaged in work, when the vacancy becomes known, will be called.

ARTICLE 7.1.1 Vacation and Vacancies: Employees filling temporary vacancies will have all the rights of the employees regularly assigned to the position.

ARTICLE 7.1.2 In filling vacancies created by employee on vacation with pay, as provided in this Agreement, the schedule rules will apply unless otherwise mutually agreed upon between the General Chairman and the General Manager

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ARTICLE 7.1.3 No Applications Received: In the event no applications are received for an advertised vacancy on an Engineer's assignment, the senior qualified Locomotive Engineer not working as such will automatically be assigned except when medically unfit or demoted as a result of discipline.

ARTICLE 7.1.4 Engineers: Should a vacancy occur and no unassigned Engineer at straight time rate is available, an Engineer from the Rotary Board, who is on his regular day off, has completed his shift, or will have completed his shift, with the least amount of interference to existing assignments, will be called.

ARTICLE 7.1.5 Hostler Filling Engineer Vacancy: Four (4) hours will be paid to a Hostler who has worked four (4) hours or less on his own assignment and then called to fill the vacancy of an Engineer on another assignment. If he has worked more than four (4) hours on his own assignment, eight (8) hours will be paid; he will be paid in addition, the Engineer's rate on the assignment he is requested to work.

ARTICLE 7.2 Rotary Board: A Rotary Board will be maintained for assigned Enginemen/Hostlers desiring extra work.

ARTICLE 7.3 Emergency Crews: Should in the opinion of the Company, an emergency arise which requires a locomotive crew, the persons living closest to the Engine House and shown on the emergency list will be called to service same. The application of Articles and procedures provided in the Collective Agreement will be waived on such occasions. Persons answering such a call will be paid a minimum of eight (8) hours at the scheduled rate. An Engineer and trainman will suffice for the majority of emergencies.

ARTICLE 8 Promotions

ARTICLE 8.1 In even of any jobs created, such as Locomotive Foreman or any other position, such appointment will be considered from the rank and file of Engineers and Hostlers according to seniority, merit, fitness and ability.

ARTICLE 8.2 The promotion of Hostlers will be according to seniority and will be governed by merit, fitness and ability. Men not promoted in their turn will be advised of the reason.

ARTICLE 8.3 Employees who fail to pass required examinations for positions of Locomotive Engineer will be given a further opportunity to qualify within a period of ninety (90) days. Should they fail to pass the required examination the second time, their names will be removed from the Seniority List.

ARTICLE 9 Seniority

ARTICLE 9.1 Seniority List: Engineers and Hostlers in Yard service will have access at all times to Seniority Lists to be posted in conspicuous places in the Yard Office and Engine House, which will contain current lists of all concerned and their seniority standing in the Company's service. Such lists will be compiled and posted April 1st and October 1st, each year. The Seniority List will be adjusted to reflect changes due to retirement, death, resignation, or rightful dismissal.

ARTICLE 9.1.1 Adjustments to Seniority List: Those whose standing is incorrectly shown must protest in writing within thirty (30) calendar days or no action will thereafter be taken. The standing of any man who is absent on leave or through illness will not be affected by this Article.

ARTICLE 9.2 Seniority on the Road: begins from the date and time a man makes his first paid trip as an Engineer.

ARTICLE 10 Held Off on Company Business

ARTICLE 10.1 Engineers and Hostlers held off on Company business will be paid schedule rate for time lost. Engineers and Hostlers called as witnesses in an incident involving the Company or before a coroner's inquest will be allowed time consumed in court or until discharge, eight (8) hours, minimum rate, for each twenty-four (24) hours or portion thereof detained

from duty. This would be in addition to payment for time worked. Actual reasonable expenses incurred will be allowed. Court witnesses fees and mileage will be assigned to the Company in cases for which pay is allowed. The employee is expected to report his time of discharge and be available for work three (3) hours later.

ARTICLE 10.2 Rules and Medical Examinations: Employees will be paid their regular hourly rate while securing rules and medical examinations requested by the Company. Employees securing rules and/or medicals to qualify as Engineers will be paid the Engineers rate.

ARTICLE 10.2.1 Employees will be paid a standard two (2) hour allowance when securing Company required medical examinations outside of their regular working hours.

ARTICLE 11 Jury Duty

ARTICLE 11.1 Summoned for Jury Duty: An employee summoned for jury duty and who is required to lose more than five (5) working days' time from his assignment as a result thereof shall be paid for actual time lost excluding the first five (5) days. The pay will be based on eight (8) hours at the straight-time rate applicable to the service last performed, less the amount allowed him for jury duty for each such day (excluding allowances paid by the court for meals, lodging or transportation), subject to the following requirements and limitations:

ARTICLE 11.2 Statement from the Court: An employee must furnish the Company with a statement from the court of jury allowances paid and the days on which the jury duty was performed.

ARTICLE 11.3 Maximum Number of Days Paid The number of working days for which jury duty pay shall be paid is limited to a maximum of thirty (30) days in any calendar year.

ARTICLE 11.4 Jury Duty and Vacation or Holidays: No jury duty pay will be allowed for any day for which the employee is entitled to vacation or general holiday pay. An employee who has been allotted his vacation

dates will not be required to change his vacation because he is called for jury duty.

ARTICLE 12 Run Around

ARTICLE 12.1 In the event a man is run around avoidably, he will be entitled to eight (8) hours pay.

ARTICLE 13 Investigations and Discipline

ARTICLE 13.1 An Engineer or Hostler will not be disciplined or dismissed until after a fair and impartial investigation has been held, and until the employee's responsibility is established by assessing the evidence. The Engineer or Hostler will not be required to assume this responsibility in his statement or statements. If the Engineer or Hostler is involved in a disciplinary offense, he shall be accorded the right on request for himself or an accredited Representative of the Brotherhood, or both, to be present during the examination of any witness whose evidence may bear on the Engineer's or Hostler's responsibility, to offer rebuttal thereto, and to receive a copy of the statement of such witness.

ARTICLE 13.2 Notification of Investigation: An investigation shall be held and the Engineer or Hostler advised in writing of decision within fifteen (15) days from the time the report is rendered, except as otherwise mutually agreed. In complying with the provisions of this Article the Company is not limited or restricted in the designation of the officer who is to conduct the investigation. Employees will not be disciplined or dismissed until after a full, complete and impartial investigation. They may, however, be held off for investigation not exceeding three (3) days, during which time they will be furnished with a written notice containing a full and complete statement of the charge or charges to be investigated. Employees may have the assistance of a fellow-employee in stating their case and reviewing the evidence against them.

ARTICLE 13.2.1 All employees concerned are to be notified to be present. If not satisfied with the decision, they

may appeal through their Representatives to the General Manager within thirty (30) days after having been advised of such decision. Should investigation prove them blameless, employees who have been held off shall resume duty and be paid eight (8) hours per day for each twenty-four (24) hours or portion thereof detained from duty at schedule rates less shift differential covering service in which they were employed at the time of the alleged offense.

ARTICLE 13.3 Discharge or Resignation: When an employee is discharged or resigns, he will within five (5) days be paid, and as soon as possible be given a certificate stating term of service and in what capacity he was employed.

ARTICLE 14 **Grievance Procedure**

ARTICLE 14.1 General Description: Should an employee who has acquired seniority have a complaint arising from the interpretation or alleged violation of this Agreement, or if he considers he has been unjustly disciplined, the grievance procedure shall be as follows:

ARTICLE 14.2 Step 1: The employee who has a grievance will meet with the officer who is at the level of Supervisor to discuss his grievance within three (3) working days of when the employee knew or should have known of the violation or matter complained of but in no circumstance later than 15 days after the occurrence. This will initiate the grievance procedure.

ARTICLE 14.2.1 The employee may be accompanied by a Union Representative and the Supervisor may be accompanied by another member of management. The Supervisor shall provide an oral decision within three (3) working days following oral notification of the complaint to the Supervisor.

ARTICLE 14.3 Step 2: If a satisfactory settlement is not reached at the foregoing step, the grievance shall then be submitted in writing to the Superintendent or his representative by the local Chairman within seven (7) days of the Supervisor's decision from Step 1,

submitting any information relating to the grievance which may help to clarify the matter. The Superintendent will render his decision in writing within seven (7) days of receipt of the grievance. At this step the General Chairman, or his representative of the Brotherhood, may be present if there is a meeting with the Superintendent.

ARTICLE 14.4 Step 3: If the decision of the Superintendent is not satisfactory to the employee he may appeal in writing to the General Manager or his representative within fourteen (14) days of the Superintendent's decision. At the same time, he may submit any additional information relating to the grievance which may help clarify the matter. The General Manager will render his decision in writing on a grievance within fourteen (14) days of receipt of the grievance. The General Chairman of the Brotherhood or his representative may be present if a meeting is required.

ARTICLE 14.5 Time Claims: Engineers and Hostlers will be advised promptly in writing through the proper officer, with the reason, if time claimed is not allowed in full. In case time is disputed, the time not disputed will be paid in the current pay period. Time checks will be issued upon request for any shortage adjusted.

ARTICLE 14.6 Time Limitation: The time limits foreseen at the various steps of the grievance and arbitration procedure may be extended by mutual consent, in writing, by both the Company and the Union.

ARTICLE 14.6.1 The use of the word "day" with respect to actions to be taken in the grievance procedure shall be interpreted as meaning calendar day except where otherwise provided herein.

ARTICLE 14.7 Arbitration: Any allegation by either the Union or the Company that the other party has violated or misinterpreted this Agreement may be lodged in writing as a policy grievance, if by the Union to management, and if by the Company to the Chairperson of the Committee. Such grievance shall be submitted to the other party within five (5) working days of the alleged violation or matter complained of.

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- ARTICLE 14.7.1** Thereafter, the grievance shall be dealt with at Step 3 of the grievance procedure. In the case of a Company policy grievance, references to General Chairman and General Manager shall be reversed and the word "employee" shall be substituted with "the Company". Failing satisfactory settlement at Step 3, the policy grievance may be referred by either party to arbitration within the time limits provided in this Agreement.
- ARTICLE 14.7.2** An Arbitrator shall have the power, with respect to policy grievances filed by the Union or the Company, to award damages as a remedy with respect to said policy grievance.
- ARTICLE 14.7.3** If the decision from Step 3 of the grievance procedure is not satisfactory to the grieving party, such grievance may be submitted to arbitration provided written notice of the referral to arbitration is served on the other party within fifteen (15) days of the Step 3 reply or the expiry of the time period for delivery of the Step 3 reply.
- ARTICLE 14.7.4** Upon notice from one party, following a failure to reach a satisfactory settlement at Step 3, that it intends to proceed to arbitration on a grievance, that party shall propose the names of three (3) possible Arbitrators to adjudicate the grievance.
- ARTICLE 14.7.5** The party receiving the notice referring the matter to arbitration shall have seven (7) days to respond in writing to the proposed Arbitrators, either agreeing to have one of those proposed to adjudicate the grievance, or proposing the names of three (3) different Arbitrators.
- ARTICLE 14.7.6** Failing agreement on the Arbitrator to hear the grievance within fourteen (14) days, either party may request that the Minister of Labour appoint an Arbitrator to hear the matter.
- ARTICLE 14.7.7** The parties shall each pay an equal share of the expenses of the Arbitrator.
- ARTICLE 14.7.8** The Arbitrator selected to hear the grievance shall have authority to make a final and binding determination with respect to the grievance. The

Arbitrator shall have the power, in addition to the power conferred by the Canada Labour Code, to modify, cancel or substitute another penalty in respect of any disciplinary measures imposed by the Company, provided that reasonable grounds exist for so doing, and may order the Company to compensate an employee for losses occasioned as a result of any wrongful action by the Company. Notwithstanding the foregoing, the Arbitrator shall not have the jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provision in lieu thereof, not to give any decision inconsistent with the terms and conditions of this Agreement, or to deal with any matter not covered by this Agreement.

ARTICLE 14.8 Retroactive Pay: Any settlement of a dispute which involves retroactive pay will be remitted to the employee as soon as possible, and not later than thirty (30) days after the settlement.

ARTICLE 15 **Holidays**

ARTICLE 15.1 Regularly assigned Engineers and Hostlers will be paid not less than the bulletin days of the assignment, which will be not less than five (5) days per week. It is understood that the following eleven (11) general holidays will be paid in accordance with ARTICLE 15.2, ARTICLE 15.2.1, ARTICLE 15.3, ARTICLE 5.2. Provided that when any of the holidays (below) fall on Sunday the day substituted by the Federal government shall be observed. In the case of Birthdays falling on a statutory holiday, the first working day following the Birthday will be observed.

* Floater	Labour Day
New Year's Day	Thanksgiving Day
Good Friday	Christmas Day
Victoria Day	* Boxing Day
Dominion Day	* Birthday
Civic Holiday	
* Upon completion of twelve (12) months service.	

* Application in writing required at least one (1) week before the desired date subject to shorter notice in the case of a bereavement not provided for in ARTICLE 2.11

ARTICLE 15.2 Holiday Entitlement: In order to qualify for pay for a general holiday an employee must be entitled to wages for at least twelve (12) shifts or tours of duty during the thirty (30) calendar days immediately preceding the general holiday, and existing provisions are amended to provide that an employee who is laid off or suffering from a bona fide injury, but who otherwise qualified for general holiday pay, shall be paid for such holiday.

ARTICLE 15.2.1 An employee will be compensated for holiday on the basis of the majority of the service he worked on the eleven (11) tours of duty immediately prior to taking his holiday less shift differentials.

ARTICLE 15.3 Vacation Day and General Holidays: A qualified employee whose vacation period coincides with any of the scheduled statutory holidays will receive an extra day's vacation with pay. Such time may be taken prior, or following vacation, subject to concurrence by the Company officer.

ARTICLE 16 **Vacation**

ARTICLE 16.1 Less than One Year Employment: An employee who at the beginning of the calendar year has less than one (1) year of continuous employee relationship, but who has had more than thirty (30) days' compensated service in the preceding calendar year, shall be allowed one working days' vacation with pay for each twenty-five (25) days' worked, during the preceding calendar year, with a maximum of ten (10) working days, until qualifying for further vacation under ARTICLE 16.2 of this Article.

ARTICLE 16.2 Five Years Employment: An employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least five (5) years and has completed 1,250 days' compensated service, shall be allowed fifteen (15) working days' vacation with pay during such year, and in

subsequent years shall be allowed one (1) working days' vacation with pay for each 16 2/3 days' worked, during the preceding calendar year with a maximum of fifteen (15) working days, until qualifying for further vacation under ARTICLE 16.3 of this Article.

ARTICLE 16.3 Ten Years Employment: An employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least ten (10) years and has completed 2,500 days' compensated service shall be allowed twenty (20) working days' vacation with pay during such year, and in subsequent years shall be allowed one (1) working days' vacation with pay for each 12 1/2 days' worked during the preceding calendar year, with a maximum of twenty (20) working days, until qualifying for further vacation under ARTICLE 16.4 of this Article.

ARTICLE 16.4 Nineteen Years Employment: An employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least nineteen (19) years and has completed 4,750 days' compensated service shall be allowed twenty-five (25) working days' vacation with pay during such year, and in subsequent years shall be allowed one (1) working days' vacation with pay for each ten (10) days' worked during the preceding calendar year, with a maximum of twenty-five (25) working days.

ARTICLE 16.5 Twenty-eight Years Employment: An employee who at the beginning of the calendar year has maintained a continuous employee relationship for at least twenty-eight (28) years and has completed 7,000 days' compensated service, shall be allowed thirty (30) working days' vacation with pay during such year and in subsequent years. Such employee qualified for six (6) weeks vacation may accumulate one (1) week per vacation year until retirement. This accumulated vacation may be taken immediately prior to the employee's retirement date in conjunction with the vacation currently due.

ARTICLE 16.6 Computation of Service: In computing service under ARTICLE 16.1, ARTICLE 16.2, ARTICLE 16.3, ARTICLE 16.4, ARTICLE 16.5 of this Article, days' worked in

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any position covered by similar vacation Articles will be accumulated for the purpose of qualifying for vacation with pay.

ARTICLE 16.6.1 Definition of One Year's Service: A year's service is defined as 250 days' of cumulative compensated service.

ARTICLE 16.6.2 Time Off-duty: Time off-duty on account of bona fide illness, injury or to attend organization business, not exceeding a total of 100 days in any calendar year shall be included in the computation of service for vacation purposes.

ARTICLE 16.6.3 Deductions: Any vacation granted for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving.

ARTICLE 16.6.4 Majority of Service: An employee will be compensated for vacation on the basis of the majority of the service he worked on the eleven (11) tours of duty immediately prior to taking his vacation less shift differentials.

ARTICLE 16.7 Vacation Entitlement: An employee covered by ARTICLE 16.2, ARTICLE 16.3, ARTICLE 16.4, ARTICLE 16.5 will be entitled to vacation on the basis outlined therein if on his fifth, tenth, nineteenth, or twenty-eight or subsequent service anniversary date he achieves the required days of cumulative compensated service, otherwise his vacation entitlement will be calculated as set out.

ARTICLE 16.7.1 An employee who has become entitled to a vacation with pay shall be granted such vacation within a twelve (12) month period immediately following the completion of the calendar year of employment in respect of which the employee became entitled to the vacation.

ARTICLE 16.8 Vacation and Rest Days: Employee's vacation period will start on the day following his assigned rest days. Subject to ARTICLE 15.3.

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ARTICLE 16.9 Application for Vacation: Applications for vacation from employees filed between December 15th of the previous year and March 1st, shall insofar as it is practicable to do so, be given preference in order of seniority of the applicants. Such applicants will have preference over later applicants. Applicants will be advised in March of the dates allotted them and unless otherwise mutually agreed employees must take their vacations at the time allotted.

ARTICLE 16.9.1 No Application for Vacation: Unless otherwise mutually agreed, employees who do not apply for vacation prior to March 1st, shall be required to take their vacation at a time to be prescribed by the Company.

ARTICLE 16.10 Length of Vacation: Employees entitled to two (2) weeks or less vacation must take such vacation in a continuous period. An employee entitled to three (3), four (4), five (5) or six (6) weeks vacation may, provided proper application is made and approved, and there is no additional expense to the Company, take his vacation in two (2) portions, neither of which will be less than one week.

ARTICLE 16.11 Time Off on Account of Vacation: Time off on paid leave under the terms of this Collective Agreement will not be considered as time off of the employee's own accord.

ARTICLE 16.12 Vacation Days as Personal Leave: Employees may utilize five (5) days' earned vacation as personal leave days provided there is no additional cost incurred by the Company. Such time may be taken as required upon written notice of not less than forty-eight (48) hours to the General Yardmaster of his designate. ARTICLE 16.6.4 will apply.

ARTICLE 16.13 Vacation Days and Lay-off: An employee who is laid off shall be paid for any vacation due him at the beginning of the current calendar year and not previously taken, and, if not subsequently recalled to service during such year shall, upon application, be allowed pay in lieu of any vacation due him at the beginning of the following calendar year.

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ARTICLE 16.14 Vacation Days and Termination: An employee terminating his employment for any reason at a time when an unused period of vacation with pay stands to his credit shall be allowed vacation calculated to the date of his leaving the service, as provided for in ARTICLE 16 and if not granted shall be allowed pay in lieu thereof.

ARTICLE 16.15 Re-qualification for Vacation: An individual who leaves the service of his own accord, or who is dismissed for cause and not reinstated in his former standing within two (2) years of date of such dismissal shall, if subsequently returned to the service, be required to qualify again for vacation with pay as provided in ARTICLE 16.

ARTICLE 16.16 Vacation Pay and Death of Employee: In the event of the death of an employee, vacation pay to which he is entitled up to the time of his death will be paid to the estate of the deceased.

ARTICLE 17 **Leave of Absence**

ARTICLE 17.1 Consistent with service requirements, leave of absence up to ninety (90) days may be secured from the Company Officer; request to be made in writing which will state reason leave is desired. An extension of thirty (30) days may be granted when concurred in by the Company Officer and General Chairman. Employees on authorized leave of absence or filling excepted positions as Company Officers shall retain and accumulate seniority rights for a period of one (1) year following acceptance of same.

ARTICLE 18 **Union**

ARTICLE 18.1 Dues: The Company will grant check-off of Union dues.

ARTICLE 18.1.1 Not more than one payment of dues shall be made by an employee in any one month. Employees filling positions coming within the scope of more than one wage agreement in a month, shall pay Union dues to the Union holding the Agreement under which the employee was assigned as at 00:01 hours on the first

calendar day of the month. Where dues have been deducted from the wages of an employee pursuant to this Agreement, and dues are payable by such employee to another Union in accordance with the foregoing, application to the Company for refund of dues deducted under this Agreement shall be made by such employee.

ARTICLE 19 Miscellaneous / Condition of Engines

ARTICLE 19.1 The Company will give notice of any material change in working conditions or alterations in conditions of employment of a permanent nature and be prepared to discuss same with the employees.

ARTICLE 19.2 Engines will be supplied with fuel, water, sand and fire extinguishers and all necessary accessories by the roundhouse staff. Engineers will see that engines are so provided.

ARTICLE 20 Agreement

ARTICLE 20.1 This Agreement is in full settlement of all issues raised by either party.

ARTICLE 20.2 This Agreement supercedes all previous rulings, practices and interpretations which are in conflict with it, and shall continue in effect until December 31, 2004 and thereafter, subject to ninety (90) days notice from either party of its desire to cancel or revise same, which notice may be served any time after September 30, 2004.

ARTICLE 20.3 This Agreement is effective January 1, 2002 except as otherwise provided herein, and supersedes all previous Agreements. It will remain in effect until December 31, 2004 and thereafter until revised or superseded, subject to 90 days' notice in writing from either party to the agreement of desire to revise, amend or terminate it. Such notice may be served at any time subsequent to September 30, 2004.

ARTICLE 20.4 Retroactive Features: The retroactive features of this Agreement cover only those employees on the

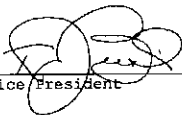
payroll thirty (30) days prior to signing of this Agreement.

ARTICLE 20.5 Interpretation of Agreement: Any question of interpretation which may arise will be adjusted by the Chairman with the General Manager or his delegate or, if necessary, with the President.


ARTICLE 20.6 Violation of Agreement: Engineers or their Representatives will call the attention of the General Manager or his delegate to any violation of this schedule and, if necessary, their Representatives will refer such matters to the General Manager.

Signed for:

THE ESSEX TERMINAL
RAILWAY COMPANY:

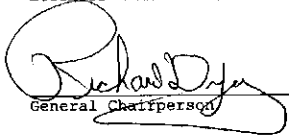


Vice President



Superintendent

THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:



General Chairperson



Local Chairperson

Dated at Windsor, Ontario
this 29 th day of November, 2001

Appendix "A"

Letter of Undertaking
Locomotive Operation

Locomotive operation will be governed by ARTICLE 7.3. Employees will promptly respect such calls. Company officers will not operate equipment without authority of a senior officer.



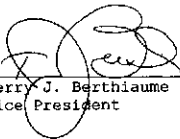
Terry Berthiaume
Vice President

November 29, 2001

Appendix "B"

Letter of Undertaking
Exchanging Shifts

Once per calendar quarter, Locomotive Engineers and Hostlers will be entitled to exchange three (3) shifts with another qualified employee, provided the Company incurs no additional costs. Such arrangements will be requested in writing, at least five (5) days in advance, will be signed by both individuals, and will be irrevocable.



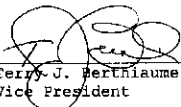
Terry J. Berthiaume
Vice President

November 29, 2001

Appendix "C"

Letter of Undertaking
Fair Distribution of Overtime

Within the constraints of existing Collective Agreements and established past practice, the Company will endeavour to ensure the fair distribution of overtime to B.L.E. members. The Company is willing to meet with a representative of the B.L.E. within the closed period of the Collective Agreement to determine if there is a compromise acceptable to both parties.



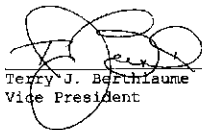
Terry J. Berthiaume
Vice President

November 29, 2001

Appendix "D"

Letter of Undertaking
Lay Offs

Where a B.L.E. member is laid off, and temporary or part-time work becomes available, for which the member qualifies, the member will be given the opportunity to apply for the position at the established rate and conditions for that position.



Terry J. Berthiaume
Vice President

November 29, 2001