

MEMORANDUM OF SETTLEMENT

BETWEEN: VIA RAIL CANADA INC.

(hereinafter referred to as the "Corporation")

AND: THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS,

(hereinafter referred to as the "Brotherhood")

---

The Corporation and the Brotherhood have reached agreement on the terms, conditions and benefits to be applicable for all running trade employees governed by collective agreements 1.1, 1.2, 2.1, 2.3, 4.2, 11 and 12, as follows:

1. Term of Agreement

The collective agreement shall be effective July 1, 1998, unless otherwise stipulated and shall remain in force until December 31, 2000.

2. Wages specifically including premiums and guarantees

Amend the collective agreement to provide that wages shall be increased as follows:

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

3. Maintenance of earnings

Amend the collective agreement to provide that:

- (a) The Corporation will automatically pay employees their maintenance of earnings.

- (b) The employee will only be required to fill out a claim form when the amount paid is in dispute.
- (c) **The amounts resulting from the wage increases stipulated in paragraph 2 hereof will be added to the incumbency of any employee presently entitled to receive a maintenance of earnings.**

4. **Pension Benefits (provisions are not to be included in the collective agreement)**

Certain terms and conditions of the pension plan for all employees are to be amended in accordance with schedule "A" attached hereto.

5. **Health Benefits**

(a) Dental

- (i) Dental coverage will be in accordance with the Provincial Dental Association Fee Guide in effect for each year of the collective agreement.

In provinces where no such guide exists, coverage will be in accordance with the highest of the Dental Association Fee Guide used by an adjacent province.

- (ii) The annual maximum coverage for dental services will be increased as follows:

1 <sup>st</sup> of month after ratification	-	\$1,800.00
January 1, 1999	-	\$1,900.00
January 1, 2000	-	\$2,000.00

(b) Life insurance

- (i) Employees' life insurance coverage will be increased as follows:

1 <sup>st</sup> of month after ratification	-	\$28,000.00
January 1, 1999	-	\$29,000.00
January 1, 2000	-	\$30,000.00

- (ii) Death Benefit for **future** Retirees: A sum of \$7,000.00 will be paid by the Corporation to the estate of a retiree upon his/her death (in lieu of paid up life insurance policy).

(c) Extended Health Care Benefits:

The lifetime maximum under the health care plan will be increased to \$40,000.00, effective January 1, 1999.

Should an employee reach this lifetime maximum during the course of his employment with the Corporation, the parties agree to meet and consider the special needs of such an employee.

(d) Vision care

(i) Services of an ophthalmologist or a licensed optometrist will be increased up to a maximum amount payable in any two consecutive benefit years of \$50.00 per person.

(ii) The maximum benefit payable for contact lenses or other lenses under the plan will be increased as follows:

1 <sup>st</sup> of month after ratification	-	\$200.00
January 1, 1999	-	\$225.00
January 1, 2000	-	\$250.00

(e) Hearing Aids

The benefit payable for hearing aids under the plan will be increased to a maximum of \$400.00 per family per two year period.

(f) Medical or Physical Limitations

The Corporation and the Brotherhood have agreed to meet and discuss during the closed period accommodations for employees who, for medical or physical reasons, can no longer fulfill their responsibilities in connection with their duties.

Closed period discussions are to commence within 90 days of signature for this Memorandum.

The above stipulated time limits may be extended by mutual agreement of the parties.

6. Short term disability / Long term disability

(a) The short term disability benefits will be increased as follows:

-	1 <sup>st</sup> of month after ratification	\$510.00
-	January 1, 1999	\$520.00
-	January 1, 2000	\$530.00

(b) The Brotherhood will institute, for the benefit of its members, a long term disability insurance plan, at the employees' full and entire costs. The Corporation hereby agrees to effectuate the required payroll deductions and remittances.

(c) A copy of the long term disability insurance plan will be attached to the memorandum of agreement.

7. Maternity and Paternity Leave

(a) The Corporation and the Brotherhood agree to meet during the closed period of the collective agreement to develop maternity / paternity leave provisions which are mutually agreeable to the parties.

(b) Maternity leave benefits will be increased as follows:

-	1 <sup>st</sup> of month after ratification	\$510.00
-	January 1, 1999	\$520.00
-	January 1, 2000	\$530.00

8. Banked time

The Corporation and the Brotherhood have agreed to meet during the closed period to consider the possibility of allowing employees to bank time of general holidays to be used for specific cases to be determined.

9. Annual vacation

Amend the collective agreement to provide that locomotive engineers who bid the "early bid" for annual vacation will be allowed an extra split and the early bid will not count as a choice.

10. Hours of work

Amend the collective agreement to indicate the hourly rates of pay as well as the daily rates of pay (for each basic day).

11. Basic day

Article D of the MacKenzie award is replaced by the following:

A minimum basic day shall be established in accordance with the tour of duty. In the calculation of this principle, the following shall apply:

Time on Duty	Basic Day
(a) 0'00'' - 4 hours	4 hours
(b) 4'01'' - 6 hours	6 hours
(c) 6'01'' - 8 hours	8 hours
(d) over 8 hours	actual time

12. Trading shifts or tours of duty (Central Region)

Amend the collective agreement to provide that Running Trades employees will have the right to trade shifts or tours of duty with each other two (2) times each twenty-eight (28) day period provided there is no additional cost to the Corporation. It will be incumbent upon the employees to advise the CMC of any change prior to the calling time of the assignment.

13. Seniority lists

Amend relevant article of the collective agreement to reflect a deadline of February 28/29 of each year.

14. Crew consist

Upon implementation of the crew consist adjustment, their trains will be crewed with two Locomotive Engineers who will go on or off duty as a unit. Exception to the crewing may be made in the event of the use of railiner equipment, similar equipment or other technological improvement, or in emergency situations, **subject to applicable laws and regulations**. Any permanent changes to the crewing that would have significantly adverse effects will be negotiated between Via and the Brotherhood under the applicable **material change** provisions of the collective agreement in force at the time.

There will be two Locomotive Engineers within the locomotive cab although it is recognized by both parties that, for operating purposes, one Locomotive Engineer shall be

designated as "in-charge". Such designation may vary between the two Locomotive Engineers.

15. **Cab amenities**

The Corporation has agreed to air condition its locomotives. The process and schedule is to be agreed upon during the closed period. **The cab committee will meet within 90 days of the ratification of this agreement to review the issue and plan a schedule.**

16. **Accommodation for Employees**

The hotel standards and facilities are to be re-assessed during the closed period on a regional and local basis between the Local Chairman and the Regional Manager. Brotherhood representatives will be involved in the selection of accommodations. Any disagreement concerning the suitability of accommodations or facilities at the local level which cannot be resolved will be elevated to the General Chairman and the Regional Director of Customer Services.

17. **Grievance Procedure**

The Corporation and the Brotherhood have agreed to meet during the closed period to review the grievance procedure and in order to eliminate unnecessary delays.

Further, the parties have agreed to hold a joint conference in each region within six (6) months of the signature of this Memorandum, to address backlogs, if any, of existing grievances. Subsequently, such regional joint conferences are to be held twice per year.

18. **Collective Agreement**

The Corporation and the Brotherhood have agreed that one collective agreement will be applicable for the system, with appendices to reflect regional agreements. Such agreement will eliminate redundant provisions and will incorporate the Mackenzie award.

In order to achieve the above objectives, the collective agreement committee will meet within thirty (30) days from the signature of this Memorandum. Should this committee fail to reach agreement within six (6) months from the beginning of the process, any outstanding issues shall be submitted to Mr. George Adams who will act as mediator-arbitrator.

19. **Seniority Maintenance Fees**

Article F of the Mackenzie award is amended as follows:

Protection of Seniority

An employee holding seniority under this agreement and who is presently filling or who may in the future be promoted to an official or any position with the Corporation which is excepted from any provision of this or any Collective Agreement, will have his name continued on the seniority list of the group from which promoted at his home seniority terminal and will retain seniority rights and continue to accumulate seniority while so employed for a period of twelve (12) consecutive months. Thereafter, such employee will cease to accumulate any further seniority until he returns to a position within the bargaining unit. The Chairperson shall be advised when the promotion is of a permanent nature. The period of twelve (12) consecutive months may be extended through a management union accord.

Notwithstanding the above, should the employee so promoted elect to continue paying the regular monthly dues of the Brotherhood from the time of his promotion, he will continue to accumulate seniority in the bargaining unit as long as he keeps paying said dues.

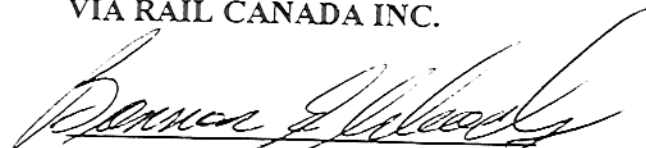
NOTE: In the application of this paragraph, should an employee holding a non-scheduled, official or excepted position be set back to a position covered by this Collective Agreement for a period of less than three (3) months, such time will be considered as part of the twelve (12) consecutive months.

20. Liability and Legal Insurance

The Corporation has agreed that this issue be reviewed and discussed by the attorneys of the respective parties within the closed period.

Signed this 12th day of June 1998.

VIA RAIL CANADA INC.



Bannon E. Woods  
Director Human Resources and Labour  
Relations

THE BROTHERHOOD  
OF LOCOMOTIVE ENGINEERS



John Tofflemire  
General Chairman