

**Notes from Running Trades Settlement Meeting, 0900, Nov. 22, 2004**  
**D. Moorhouse**

The following is a summary of my understanding of the discussion at the running trades settlement meeting, 0900, Nov. 22, 2004. Answers and statements recorded in these notes may be a compilation of statements, and are not attributed to any individual. Negotiating team members in attendance: Dennis Byron, John Holliday, Mike Horne, Vince Jones.

Will be a vote of confidence in negotiating team at end of meeting. Council has decided not to go to ratification. In the event the vote results in non-confidence, will likely go to arbitration. Must be signed BY BOTH SIDES, before Dec. 1, 2004. Arbitrator would look at industry standards. One year's pay considered good nowadays. Telus – \$83,000; BC Ferries MAX \$48,000; Beltpack \$60,000; growth in RR industry – lots of jobs available

Try to divide Council negotiated benefits from the Material Change

**Council Benefits**

- Holidays
  - AV eligibility / weeks will change to CN levels for 2006 calendar year (Applicable clause form 4.3 agreement appended)
- Effective April 1, 2005 or LATER. CN levels of:
  - Medical / Extended Health – MSP will be self-pay, max \$108 / mo. – no more drug card – submit expenses – dental down (ortho From \$5000 to \$500)
  - Weekly Indemnity / Long Term Disability (Paid by pension fund 1%?)
  - Life insurance down
  - Ask CN manager for CN benefit plan booklet
- Post-retirement benefits eliminated for anyone in service after Jan. 1, 2006
- Unionized bonus plan in effect 2004, then gone
- Jan.1, 2006 – CN running trades wage increase – to MAX 3% (whatever they get, we get)
- Direct deposit only
  - Still entitled to bank time, but all banked time will be paid out Apr.1, 2005. Suggest anyone who has banked time save it to make up for new pay schedule, which is two weeks in arrears (We are about 5 days in arrears now)
- Safety advisor gone
- Council funding gone
- Education fund gone (We had always paid into it. Unions can still arrange their own funding)
- Red circling of yard rates (includes CN road Switcher rates). We are about \$5 hour ahead of CN with Beltpack. Rates will be maintained until they catch up. No road rate equivalent. (Miles vs. hours)
- \$5000 cash payout in lieu of benefits, Aug. 1, 2005 (CN initially offered \$2500)
- CN pension plan in effect Jan. 1, 2006 – commuted value will be given to all employees in the next week or so (Calculated July, 2004)
- Dues may go up if CAW goes BLE (to \$170 /mo) . UTU dues may go up slightly for CGA funding, but should not be much. (\$83.88 now)

## Material Change

- Intend to minimize impact as much as possible
- UTU negotiated \$4.6 million package to include buyouts and relocation allowance (unsure of CAW amount)
- Offered by zone where the adverse affects will occur. Buyout will transfer to another terminal with those who elect to relocate
- Calculated to be better than Beltpack formula of 1.25 buyouts for every job lost (5 buyouts for every 4 jobs). Better than non-ops Job Security settlement
- Assumes there will be a buyout or a job for all. Nobody gets a layoff. Will be offered a job, a buyout or relocation. If CN gets numbers wrong and there are leftovers, there will be a good case to add buyouts and more money. Call to Strazack, who agreed. Subject to further discussion with CN.
- Points system. Just about anyone with 20 years will get MAX. CAW arranged theirs a little differently to encourage those with more than 20 years to go. Also, they took some relocation money to top-up max to \$105,000
- Who is eligible? LTD, WCB, management, etc. – Active, dues paying members. Understand that if on WCB, etc. will be a buyout waiting for you when you return. Wherever you are working as of Sept. 27<sup>th</sup> is where your package will apply
- When will it take effect? – Expect mid-January – bids may be out as early as 1<sup>st</sup> week of Dec. Historically, no job cuts until agreement settled
- MBR not in effect while buyouts in process. Will once again be in effect after buyouts or relocations complete
- Relocation allowance \$25,000. Change principal residence. Rent or own. Have to stay employed for two years, otherwise pay back half. Can still move back to exercise seniority and keep the cash. Relocation allowances will return to unions if not used up. Richer than Art. 132.
- Process? Members have deep concern that it's a crapshoot if you don't know what the guy ahead of you is doing. What if I elect to go and someone junior to me keeps a job? Can't make a life-altering decision without the facts. Need to be clear on "wild-cards"—those on LTD, WCB, management, etc.

Negotiating team understands there has to be a process and will work with CN to implement something before the buyouts are offered.

Suggestions: offer in stages; interview all from senior to junior, indicating to each one what the scenario looks like for them; version of the CN 746 bid system?

**ARTICLE 127**  
**Annual Vacation**

**127.1** An employee who at the beginning of the calendar year is not qualified for vacation under paragraph 127.2 will be allowed one calendar day's vacation for each 26 days worked and/or available for service, or major portion of such days during the preceding calendar year with a maximum of two weeks. Compensation for such vacation will be 4% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 127.2.

**127.2** Subject to the provisions of paragraph 127.3, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 3 years and who has rendered compensated service in 30 calendar months, calculated from the date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 17 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of three weeks. Compensation for such vacation will be 6% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 127.4.

**127.3** An employee covered by paragraph 127.2 will be entitled to vacation on the basis outlined therein if on their fourth or subsequent service anniversary date they have rendered compensated service in 40 calendar months; otherwise their vacation entitlement will be calculated as set out in paragraph 127.1. 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's employment relationship with the Company is terminated for any reason prior to their next vacation, the adjustment will be at time of leaving.

**127.4** Subject to the provisions of paragraph 127.5, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 9 years and who has rendered compensated service in 90 calendar months, calculated from the date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 13 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of four weeks. Compensation for such vacation will be 8% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 127.6.

**127.5** An employee covered by paragraph 127.4 will be entitled to vacation on the basis outlined therein if on their tenth or subsequent service anniversary date they have rendered compensated service in 100 calendar months; otherwise vacation entitlement will be calculated as set out in paragraph 127.2. 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's employment relationship with the Company is terminated for any reason prior to their next vacation, the adjustment will be made at time of leaving.

**127.6** Subject to the provisions of paragraph 127.7, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 19 years and who has rendered compensated service in 190 calendar months, calculated from date of entering service, shall have their vacation scheduled on the basis of one calendar day's vacation for each 10 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of five weeks. Compensation for such vacation will be 10% of the gross wages of the employee during the preceding calendar year. This basis applies during subsequent years until qualifying for further vacation under paragraph 127.8.

**127.7** An employee covered by paragraph 127.6 will be entitled to vacation on the basis outlined therein if on their twentieth or subsequent service anniversary date they rendered compensated service in 200 calendar months; otherwise their vacation entitlement will be calculated as set out in paragraph 127.4. 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's employment relationship with the Company is terminated for any reason prior to their next vacation, the adjustment will be made at time of leaving.

**127.8** Subject to the provisions of paragraphs 127.9 and 127.10, an employee who, at the beginning of the calendar year, has maintained a continuous employment relationship for at least 28 years and who has rendered compensated service in 280 calendar months, calculated from date of entering service, shall have vacation scheduled on the basis of one calendar day's vacation for each 8-2/3 days worked and/or available for service, or major portion of such days, during the preceding calendar year, with a maximum of six weeks. Compensation for such vacation will be 12% of the gross wages of the employee during the preceding calendar year.

**127.9** An employee covered by paragraph 127.8 will be entitled to vacation on the basis outlined therein if on their twenty-ninth or subsequent service anniversary date they have rendered compensated service in 290 calendar months; otherwise their vacation entitlement will be calculated as set out in paragraph 127.6. 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's employment relationship with the Company is terminated for any reason prior to their next vacation, the adjustment will be made at time of leaving.

**127.10** In the application of paragraph 127.8, the Company will have the option of:

- (a) scheduling an employee for five weeks' vacation with the employee being paid for the sixth week at pro rata rates; or
- (b) splitting the vacation on the basis of five weeks and one week.

**127.11** In computing service under paragraphs 127.1 to 127.9 inclusive, days worked in any position covered by similar vacation rules will be accumulated for the purpose of qualifying for vacation with pay.

**127.12** Subject to the provisions of paragraphs 127.3, 127.5, 127.7 and 127.9, an employee who is retired, leaves the service of their own accord, is dismissed for cause, or whose services are dispensed with, shall be paid an amount appropriate to their service entitlement calculated as provided for in paragraphs 127.1 to 127.9 inclusive, for any vacation due up to the time of termination of service.

**127.13** An employee who at the time of termination of their service has not qualified for vacation as provided for in paragraph 127.1 shall be paid 4% of their gross earnings for the calendar year in which service is terminated.

**127.14** An employee who leaves the service of their own accord, or is dismissed for cause and not reinstated in the service within two years of date of such dismissal, will if subsequently returned to the service, be required to again qualify for vacation with pay as per paragraphs 127.1 to 127.9 inclusive.

**127.15** In the event of death of an employee, vacation pay to which entitled up to the time of death will be paid to the estate of the deceased.

**127.16** An employee who is laid off during the year and who has not been recalled at the beginning of the ensuing calendar year will have the right to request on two weeks' notice vacation pay due at any time during the ensuing calendar year prior to being recalled to service.

**127.17** Time off duty because of layoff, bona fide illness, injury, or attendance to organization business (except on full-time basis) shall be included for qualification purposes in paragraphs