

BC Rail and CAW 110

Beltpack Material Change

The parties agree to the following memorandum of agreement, which becomes retroactively effective January 01, 2003:

Yard Beltpack®

This Memorandum of Agreement between the parties reflects their desire to resolve all outstanding issues in respect of the implementation of yard Beltpack® operations on BC Rail property.

The parties agree that the Hope Beltpack® Arbitration award dated March 27, 2000 and associated supplementary awards thereto, are null and void and that this Memorandum of Agreement shall resolve all Material Change issues resulting from the implementation of yard Beltpack® operations.

Furthermore, the CAW Local 110 Executive agrees in principle not to oppose the implementation and operation of yard Beltpack® assignments on BC Rail.

For the purposes of this agreement, an “affected location” is defined as a zone within which a Beltpack® assignment is to be implemented. An outlying terminal is considered to be within the zone of the terminal from which relief is usually supplied to it.

Beltpack Operations Implemented Prior to January 01, 2003

- 1) BC Rail will make a one time payment of eighty five thousand dollars (\$85,000) to CAW Local 110 as a full and final resolution of all outstanding issues relating to yard Beltpack® implementations prior to January 1, 2003.
- 2) This payment will be dispersed by CAW Local 110, subject to the principle that the payment is designed to offset adverse effects upon directly affected employees by the introduction of Beltpack® operations prior to January 1, 2003.
- 3) Upon receipt of this payment, CAW Local 110 commits to withdraw all outstanding grievances, claims and complaints in respect of yard Beltpack® operations.

Belpack Operations Implemented After January 01, 2003

4) There will be one voluntary Separation Allowance offered for each conversion of a conventional yard assignment to Belpack® operations subject to the provisions as outlined below:

- a) Employees eligible for a voluntary Separation Allowance under this agreement are defined as members of CAW Local 110 with a seniority date prior to January 1, 2003 and who are actively working positions or on layoff at the affected locations at the time an offer is made. Such employees must have established the affected location as their Home Station no later than the previous General Reassignment.

Only employees on Long Term Disability or working in a management position are not considered to be active. There shall be no minimum age, pension or service requirement in order to qualify for a Separation Allowance.

- b) Separation Allowances will be offered and awarded in order of seniority at the affected location where a yard Belpack® assignment is implemented. If the Separation Allowance is unclaimed by an eligible employee at the affected location at the time the bulletin closes, it shall be permanently forfeited.

Each time a Separation Allowance is offered BC Rail will individually notify eligible employees. When a Separation Allowance is put up for bid, the bulletin will close 30 days after employees are notified that a Separation Allowance is available.

- c) Employees who accept a Separation Allowance will make an irrevocable commitment to retire/resign/terminate their employment with BC Rail.
- d) An employee who is eligible for and accepts a Separation Allowance will be credited with "points" for each year (or major portion thereof) of service with BC Rail as follows:
- i) Five (5) points for each of the first fifteen (15) years of service
 - ii) Three (3) points for each of the subsequent five (5) years of service, and,
 - iii) One (1) point for each subsequent year of service
 - iv) Maximum point entitlement equals one hundred (100) – each point is worth the equivalent of \$600
 - v) The value of the points an employee is eligible for will be reduced by one-fifth for each year beyond age sixty

- 5) With the offer of a Separation Allowance, there shall be no further benefits payable as a result of that yard Beltpack® implementation.
- 6) Based upon the number of conventional yard assignments in place as of January 5, 2003, the maximum number of Separation Allowance opportunities, by location, shall be as follows:
 - a) North Vancouver: 8
 - b) Squamish: 2
 - c) Williams Lake: 3
 - d) Quesnel: 3
 - e) Prince George: 7
 - f) Fort St James: 1
 - g) MacKenzie: 2
 - h) Chetwynd: 3
 - i) Fort St John: 3
 - j) Fort Nelson: 1
 - k) Dawson Creek: 1

Once the maximum number of Separation Allowance opportunities have been offered at any given location, further yard Beltpack® implementations at that location are not compensable.

- 7) For each offer of a Separation Allowance at locations referred to in Item 6, the number of remaining opportunities at that location will be reduced by one.
- 8) With the exception of Prince George, the number of yard Beltpack® assignments in any location will not exceed the number of voluntary Separation Allowances offered at that location until the number of opportunities identified in Item 6 have been exhausted.

For example: In Williams Lake, there is a maximum of three (3) Separation Allowance opportunities. If the company implements one yard Beltpack® assignment in Williams Lake, then one separation allowance must be offered. Thereafter, Williams Lake will have a maximum of (2) two Separation Allowance opportunities remaining. Once all (3) three Separation Allowance opportunities have been offered, the company is free to implement yard Beltpack® assignments at Williams Lake without restriction and/or compensation.

- 9) The adverse affects stemming from the (7) seven yard Beltpack® assignments which began operations in Prince George prior to January 1, 2003, have been addressed in items 1 through 3 of this agreement. In Prince George, the number of yard Beltpack® assignments will not exceed (7) seven more than the number of voluntary Separation Allowances offered at that

location until the number of Separation Allowance opportunities identified in Item 6 have been exhausted.

For example: In Prince George there is a maximum of (7) seven Separation Allowance opportunities. The company presently has the right to operate (7) seven Beltpack assignments as outlined above. If the company implements an eighth yard Beltpack® assignment in Prince George, then one Separation Allowance must be offered. Thereafter, Prince George will have a maximum of (6) six Separation Allowance opportunities remaining. Once all (7) seven Separation Allowance opportunities have been offered, the company is free to implement yard Beltpack® assignments at Prince George without restriction and/or compensation.

Date: March 12, 2003

For BC Rail:

For CAW Local 110
