

AGREEMENT

Between

Allstream Corporation
(Hereinafter referred to as the Company)



And

**NATIONAL AUTOMOBILE AEROSPACE, TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA (CAW-CANADA) AND ITS LOCAL 2000**
(Hereinafter referred to as the Union)



January 1, 2004 – December 31, 2006

***Denotes Change From Previous Collective Agreement**

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Article One: Recognition and Jurisdiction

- 1.01 The signatory parties to this Agreement pledge themselves to live up to the spirit as well as the letter of this Agreement, it being recognized that no agreement is any stronger than the honesty and good faith of the parties involved.
- 1.02 The Company recognizes the Union as the sole and exclusive bargaining representative of all employees of the Company covered by this Agreement.
- *1.03 The use of the masculine or feminine gender or titles in this Agreement shall be construed as including both genders and not as sex limitations unless the Agreement clearly requires a different construction.

The Collective Agreement will be published in both official languages (English and French) at the Company's expense and will be distributed on the basis of employee language preference.

The Company agrees to complete printing of the Collective Agreement within one hundred and twenty (120) days after final approval of translation. The translation of the Collective Agreement shall commence within thirty (30) days of the signing of the Memorandum of Agreement. The approved draft of the Collective Agreement will be translated and placed on the Company intranet.

- *1.04 Definitions:

Operational Service Area - is that area within which an employee would normally work in the performance of his job duties.

Work Location - is the area incorporated within the recognized metropolitan boundaries of the city or town concerned.

Headquarters is the place, or defined address to which an employee is assigned or appointed by posting.

Work Group - Is the logical grouping of employees who perform common functions and are typically characterized by:

- Reporting to a single manager
- Common training requirements
- Common shift schedule
- Common vacation list
- Common overtime pool
- Common headquarters (same suite or office)

For the purposes of explicitly identifying the work groups, a list of employees belonging to each work group will be posted at the Headquarter location. This list will be updated and reposted as necessary. A copy will be forwarded to the appropriate Union Vice President each time the list is modified and at every shift change as outlined in Article 7.05. Once defined, the work group will be used consistently for the purposes of this Collective Agreement.

Note: Vacation lists may span multiple workgroups.

Permanent Employee – Permanent employment status, works forty (40) hours per week on a regular basis.

Permanent Part-Time (Telephone Operator – Long Distance) - Permanent employment status, works less than forty (40) hours per week and a minimum of twenty (20) hours per week on a regular basis. The number of permanent part-time employees will not exceed twenty (20) percent of the total employees of the work group.

Temporary Employee – Temporary employment status, hired for a specified period, not to exceed six (6) months. Periods in excess of six (6) months will be mutually agreed by the appropriate second-level manager and the Union representative. A temporary employee is entitled to the wages, benefits, and working conditions of the Collective Agreement. A temporary employee is not entitled to paid vacation days but is entitled to receive a payment in lieu at the termination of his contract. His employment relationship ends at a specific date, does not require a ninety (90) day notice, and does not include bidding, displacement or recall rights.

Temporary employees meeting qualification criteria and performance requirements may be considered for permanent positions. Any time worked on a temporary position will not be considered part of the probation period for a permanent position.

- *1.05 The Company will not discriminate against any employee because of membership in the Union or activity authorized herein on behalf of the Union. The Company and the Union agree that they will not threaten, intimidate or unlawfully discriminate against an employee for reasons of that employee's pregnancy, age, marital status, family status, disability, sex, sexual orientation, race, creed, colour, national or ethnic origin, political or religious affiliation or for exercising any rights under this Collective Agreement. The parties agree that every employee has a right to be free from all forms of harassment and as such every employee of the Company is governed by the terms and conditions of the "Allstream Mutual Respect in the Workplace Policy".
- 1.06 The Company and the Union jointly confirm their intent to further the aims of employment equity in the workplace through ongoing consultation, with a view to achieve mutual agreements to meet this objective.
- 1.07 With the objective of strengthening the partnership between the Company and the Union and building relationships between managers and union representatives, it is agreed that the parties will continue to participate in the "Communication Model Forums".

Article Two: Recognition of Management Functions

- 2.01 The Union recognizes that it is the exclusive function of the Company to manage the business and to direct the working forces of the Company in a manner consistent with the terms of this Agreement.

Article Three: Classifications and Bargaining Unit Description

*3.01 The job classifications governed by this Collective Agreement are:

Technical Classifications:

- Communication Technician 3
- Communication Technician 2
- Communication Technician 1

Non-Technical Classifications:

- Clerk
- Telephone Operator (Long Distance)
- Customer Support Clerk (FacsRoute)
- Service Centre Operator
- Internet Service Representative
- Local Loop Request (LLR) Clerk

*3.02 **Bargaining Unit Description:**

“ All employees of Allstream Corporation occupying technical positions involved in the technical provisioning of telecommunication services and in the installation, commissioning, operation, restoral, maintenance, modification and repair of the network and communications equipment and systems and non-technical (administrative and clerical) positions supporting these technicians, as well as employees providing operator assistance for voice, data and video transmission, including telephone operators, but excluding professional engineers and associated technical positions involved in the engineering of network and communications equipment and systems as well as all other employees of the Company.”

Article Four: Seniority and Seniority Districts

4.01 The seniority and promotion districts shall be as follows:

ATLANTIC DISTRICT, comprising Provinces of Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador.

QUEBEC DISTRICT, comprising Province of Quebec, Province of Ontario, east of and including Brockville and Ottawa.

ONTARIO DISTRICT, comprising Province of Ontario, west of but not including Brockville and Ottawa to and including Armstrong and Nipigon.

PRAIRIE DISTRICT, comprising: Province of Ontario, west of Armstrong and Nipigon: Province of Manitoba and Province of Saskatchewan.

ALBERTA DISTRICT, comprising Province of Alberta.

PACIFIC DISTRICT, comprising Province of British Columbia.

4.02 Present employees shall establish a General District Seniority (GDS) date as per last official district seniority lists prepared, posted and corrected, if applicable, in accordance with Articles 4.06 and 4.08.

Employees already in the service of the Company, but occupying positions not covered by the Collective Agreement, and newly hired employees will establish a General District Seniority (GDS) date equivalent to the date of entry in service into positions covered by the Collective Agreement.

*4.03 Newly hired employees will be on probation for a period of six (6) months from date of completion of training or from appointment to a permanent position. This probationary period will be exclusive of all time absent for any reason.

The Company, at its sole discretion, may release any employee on probation, as set out above, for any reason and such dismissal will not be subject to review beyond the level of Director, Labour Relations.

*4.04 Permanent employees shall retain and continue to accumulate General District Seniority (GDS), including while on layoff or on any other authorized leave.

*4.05 Permanent employees transferred or promoted to a temporary position not covered by the Collective Agreement shall continue to retain and to accumulate seniority rights only for a period of six (6) months, at which time, all their seniority rights shall be discontinued and abolished.

Permanent employees transferred or promoted to a permanent position not covered by the Collective Agreement shall continue to retain and to accumulate seniority rights only for a period of one (1) year, at which time, all their seniority rights shall be discontinued and abolished. During the one (1) year period the employee can only exercise his seniority rights to apply on a posted vacant position.

Once the seniority rights of a transferred or promoted employee are discontinued and abolished, he or she can only return to the bargaining unit in a bulletined vacant position for which no employees are applying, at which time he or she will establish a new General District Seniority (GDS) date.

- 4.06 District seniority lists reflecting names and General District Seniority (GDS) dates, will be prepared separately by Technical and Non-Technical classifications and will be posted as early as possible, but in any event, not later than February 28th and August 31st of each year, copies of which will be furnished to the Local Union President and Regional Local Union Vice President.
- *4.07 An employee holding seniority, who is appointed to any other classification, shall continue to accumulate seniority.
- 4.08 Protests in regard to seniority standing must be submitted in writing within sixty (60) days from the date seniority lists are posted. When proof of error is presented by an employee or his representatives and/or the Company, such error will be corrected and when so corrected and agreed upon, the seniority date shall be final. No change shall be made in the existing seniority status of an employee unless concurred to by the Local Union President.
- *4.09 An employee's seniority rights and employment will cease for any of the following reasons:
 - (a) If he voluntarily resigns;
 - (b) If he is discharged for cause and subsequently not reinstated;
 - (c) If he is absent from work for three (3) consecutive days without notifying the Company unless he has a bona fide reason;
 - (d) If he accepts severance pay;
 - (e) If he is not recalled within the time limits set out within Article 5.12 of this Agreement; or
 - (f) If he declines recall or fails to report for work after being recalled as per the provisions of Article 5.12 of this Agreement.

Article Five: Postings, Assignments and Recall

5.01 Within the Operational Service Area the Company will direct the workforce through recall, posting, and/or assignment to meet all staff requirements.

*5.02 Any employee, if qualified, will be required to perform any work in his own position, or any position in any other classification.

*5.03 An employee may bid on a bulletin in any classification if he meets the qualifications specified.

Employees in the various Technical classifications will have preference for promotion in the Technical Grouping.

Employees in the various Non-Technical classifications will have preference for promotion in the Non-Technical Grouping.

*5.04 **Temporary Vacancies**

When a temporary vacancy exists, the Company will fill the vacancy through a method of it's choosing. Temporary positions will be limited to six (6) months. Requested extensions to this time frame for the purposes of summer students and educational work terms will not be unreasonably refused. Any position exceeding this time limit must follow the procedures for filling permanent vacancies.

Permanent Vacancies

When a permanent vacancy exists, the Company will fill the initial vacancy in the following order:

A) Recall the senior qualified employee as per the recall provision in Article 5.12 (E). In the event that the employee's performance is unsatisfactory, the employee may be re-assigned up to six (6) months from the date of appointment to the bulletin.

B) Post National bulletin:

1. Award to senior qualified applicant within the district.
2. If there is no successful candidate within the district, award to senior qualified applicant nationally. Anyone accepting a position nationally will be required to remain in such position for 24 months, unless otherwise agreed to by the manager.
3. In the event that the employee's performance is unsatisfactory, the employee may be reassigned up to six (6) months from the date of appointment to the bulletin.

C) Reassign within the Work Location, or

D) Rebalance staff within the District, or

E) Hire externally. Successful applicant will be required to remain in such position for eighteen (18) months.

If a vacancy is created by the selection of a candidate through a bulletin, this second vacancy will be filled through 5.04 (A) through (E) in order. Any subsequent vacancies will be filled through 5.04 (A) through (E) in any order.

Rebalancing within the Work Location

When no vacancy exists (i.e.: when headcount remains unchanged) and there is a requirement to reassign staff between work group(s), within a work location, the following process will be applied:

1. The Company will seek volunteers from the affected work group(s). Volunteers will be selected on a seniority basis.
2. In the event there are no volunteers, the Company will determine which employee(s) it will assign from within the work group(s). The Company shall assign the junior employee(s) whenever possible or the most junior employee(s) having the required training. When the Company does not assign the employee(s) as noted above, it will notify the appropriate Union Vice President.

Rebalancing within the District

When no vacancy exists (i.e.: when headcount remains unchanged) and there is a requirement to reassign staff within the District, the following process will be applied:

1. The Company will seek volunteers from the affected work group(s). Volunteers will be selected on seniority basis.
2. In the event there are no volunteers, refer to Article 9.

*5.05 A) When an employee is permanently assigned to a new headquarters and the move is more than thirty (30) kilometres and less than sixty (60) kilometres the employee will be eligible for the greater of: relocation costs in accordance with Article 5.14 or the monthly allowance of \$150.00 per month during twelve (12) months from the date of transfer to the new headquarters.

B) When an employee is permanently assigned to a new headquarters and the move is more than sixty (60) kilometres the employee will be eligible for relocation benefits in accordance with Article 7 of the Job Security Agreement.

5.06 An employee temporarily assigned to a position of any type shall return to his position at the termination of such temporary assignment.

*5.07 **Relief Positions and Assignments**

A) Permanent relief positions shall be designated by the Company to meet the needs of the business. These positions will have assigned hours and rest days. Employees occupying relief positions may be reassigned different hours and/or rest days, with forty-eight (48) hours advance notice when possible, to cover vacation relief, training requirements or other employee absences. When not acting in a relief capacity, the employee's hours and rest days will revert back to those originally assigned to this position. An employee will suffer no loss of wages as a result of a relief assignment, but will receive appropriate shift premiums on eligible shifts worked.

B) If no permanent relief positions exist, or person(s) in relief position(s) are unavailable, then temporary relief assignments will be assigned to the junior qualified employee immediately available.

C) If the temporary relief assignment requires that an employee must travel fifteen (15) kilometres outside his work location, he will be eligible for the appropriate mileage allowance.

D) If the temporary relief assignment requires that an employee must be away overnight, he will be eligible for expenses in accordance with Article 16.

*5.08 An employee may be temporarily assigned to work in another seniority district. Upon the completion of his assignment on another district, he will return to his former position. The Union President will be notified, where practicable, in writing in advance of any such assignments. This notification will include the reason for the assignment and its duration.

*5.09 Copies of all postings covered by this Agreement and notices of award shall be posted on bulletin boards and on the Company's intranet for a period of six (6) months. Copies will be sent to the regional Union Vice President.

*5.10 A) Applications to postings must reach Human Resources (Central BU Postings e-mail mailbox) not later than ten (10) calendar days from the date of the posting. Such positions will be awarded to the senior qualified applicant within fifteen (15) calendar days from the closing date of the posting.

B) Successful applicants will be required to remain in such position for eighteen (18) months, unless otherwise agreed to by the manager.

*5.11 An employee may cancel his application on or before the closing date indicated on the posting notice. After the expiration of such period, he may not cancel his application except where mutually agreed to by the regional Union Vice President and the second level manager. Once appointed to the new position the employee will not be permitted to bid on his former position until it again becomes vacant.

* 5.12 A) An employee who is laid off must, prior to his last day at work, register in writing his complete contact information, including name, address and telephone number(s) with Human Resources and the Local Union President so that he may be readily located in the event of recall. The employee must also indicate at this time whether or not he wishes to be contacted for national recall bulletins.

A laid off employee must inform the Company in writing of any changes to his contact information or his recall preference during the recall period. Such changes will be effective as of the date they are received by Human Resources.

B) The following process will be followed to recall employees:

- Employees will be contacted by phone.
- A union representative will be present for the phone calls.
- Two (2) attempts will be made (two calls on two different days).
- If the employee cannot be reached within the two days, his employment relationship will be terminated as per the Collective Agreement.
- An employee who is contacted by the Company for the purposes of recall will be required to accept/decline the recall within twenty-four (24) hours.

C) Recall rights for a laid off employee will continue for a maximum period of five (5) years from the date of layoff.

D) The Company may recall employees for work which they are qualified to perform, in order of seniority highest to lowest for work assignments of ten (10) weeks or more. If the work assignment is less than ten (10) weeks the Company may elect to use recall or elect to use a contractor or a temporary employee at its sole discretion.

E) Employees will be recalled from layoff in the following order:

1. From within the work location

- Employees not receiving JSA benefits may decline recall to a temporary vacancy
- Employees in receipt of JSA benefits will be required to accept recall to a temporary vacancy
- An employee will be deemed to have voluntarily resigned from the Company and lose all seniority should he fail to accept recall to a permanent position from within the work location

2. From within the JSET

- Employees not receiving JSA benefits may decline recall to a temporary vacancy
- Employees in receipt of JSA benefits will be required to accept recall to a temporary vacancy
- An employee will be deemed to have voluntarily resigned from the Company and lose all seniority should he fail to accept recall to a permanent position from within the JSET
- Employees accepting recall will be eligible for relocation benefits as described in the Job Security Agreement

3. From within the District

- Employees may decline recall without affecting their recall status
- Employees accepting recall will be eligible for a relocation incentive of \$2,000 and relocation benefits as described in the Job Security Agreement

4. Nationally

- Employees may decline recall without affecting their recall status
- Employees accepting recall will be eligible for a relocation incentive of \$2,000 and relocation benefits as described in the Job Security Agreement

F) An employee who is recalled must report to work within four (4) days of being contacted by the Company. An extension to this time frame may be granted for good and sufficient reasons as determined by the Company.

- *5.13 A) An employee, when required to lead, guide and/or direct the employees assigned to him, will be paid a senior rate of \$45.00 per week. The Company will determine the requirements and the number of seniors based on the needs of the business. The senior rate will be applied to the qualified senior employee(s) in a workgroup on the basis of qualifications, demonstrated skills and knowledge. Qualifications will be evaluated based on theoretical and practical examinations.

On January 1, 2005, the senior rate will increase to \$50.00 per week.

On January 1, 2006, the senior rate will increase to \$55.00 per week.

B) The Company will determine the requirements and the number of Communication Technician 3 (CT3) positions based on the needs of the business. Qualifications required for the position will be included in the job-posting bulletin for the position.

These positions may be filled either from within the workgroup or through the posting process however, if the position is filled through the posting process, the provisions of Article 5.04 A) (recall) will not be applicable.

If no successful applicants are found internally, the Company may hire externally.

Rest days and hours of work for CT3 positions will be assigned. This information will be indicated on the initial posting.

CT3 positions will have a maximum step level of 12 on the technical pay scale. The CT3 premium will be \$60.00 per week.

On January 1, 2005, the CT3 rate will increase to \$70.00 per week.

On January 1, 2006, the CT3 rate will increase to \$80.00 per week.

The CT3 premium and designation will be applied to the successful senior qualified applicant. All applicants will be evaluated based on theoretical and practical examinations. The Company reserves the right to also use interviews during the selection process to determine qualified candidates.

No 90-day layoff notice as per Article 9 can be issued to a CT3 position. If the needs of the business dictate abolishing an existing CT3 position, 90 days written notice must be provided to both the individual affected and the Union.

If there are two or more employees with a CT3 designation in the same workgroup, and they are performing the same function, the notice to remove the CT3 designation will go to the employee with the least GDS.

An employee whose CT3 designation is removed will return to the position he previously occupied. If the employee was hired directly into a CT3 position, he will be re-classified as a Communication Technician 2 (CT2) in the department he is currently working in.

Employees holding CT3 designations may require periodic testing in order to maintain their status. The workgroup manager may require an employee to re-qualify for the CT3 position he currently occupies bi-annually. Should the employee not pass the re-qualification, he will be given one month to prepare and take a test again. If the employee fails a second time, the CT3 designation will be removed as noted above. No 90-day notice will be required in this instance.

C) Telephone Operators (Long Distance) assigned as a shift resource person will be paid \$12.00 per shift worked. The shift resource person will be assigned to an employee from among employees in the workgroup on the basis of seniority, qualifications being sufficient.

- *5.14 When an employee applies on a bulletin in accordance with Article 5.04 and is the successful applicant, he will be eligible for the following relocation:

1. Payment of door-to-door moving expenses for the eligible employee's household goods and his automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Company.
2. An employee who relocates under the terms of this provision will be provided with:
Paid Leave:
 - a) 1 - 200 kilometres - 1 day
 - b) 201 - 500 kilometres - 2 days
 - c) 501 – 1000 kilometres - 3 days
 - d) 1,000 kilometres plus – 4 days
3. An employee who has relocated under the terms of this provision will be reimbursed for 100% of the aforementioned costs by submitting a detailed expense account (receipts included) to his supervisor.
4. The foregoing will be applicable for each relocation, but only once per calendar year in the case of voluntary relocation.
- 5.15 An employee returning to duty after completion of vacation may exercise his seniority to any position bulletined and/or filled during his absence.
- *5.16 The Company agrees to ensure that all headquarters locations have an appropriately titled bulletin board for union correspondence and bulletins located in the common area or lunchroom. The Company will ensure that posted bulletins are available for a minimum of six (6) months on the Company intranet.

Article Six: Work Week for Regular and Swing Assignments

- 6.01 Employees shall be assigned consecutive rest days in each seven (7) day period. Any non-consecutive rest day assignments must be by mutual agreement between the Company and the Union. Preference shall be given to Saturday and Sunday. The work weeks may be staggered in accordance with the Company's operational requirements.
- 6.02 The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.
- 6.03 Swing assignments, consistent with service requirements, will be established by the Company to provide for rest day coverage. Such assignments may, on different days, have different starting times, duties and work locations provided such starting times, duties and work locations are those of the employee(s) relieved. Employees filling such assignments will receive their own step level on date of assignment.
- 6.04 Except by agreement between the Company and the employee concerned, a minimum of eight (8) hours will be provided between the completion of one swing assignment and the commencement of the next.
- *6.05 Assigned hours and/or rest days, including those of swing positions, will be changed in accordance with the requirements of the service, but not less than seventy-two (72) hours notice of such change shall be given the employees affected.

The above is intended for a permanent schedule change or for projects of a defined duration to meet the requirements of the business and not for the purposes of covering relief assignments.

Article Seven: Hours of Work

7.01 A) The hours of work, exclusive of meal period, for Permanent full-time employees covered by this agreement will be based on one of the following:

- i) Forty (40) hour work week, eight (8) hours per day, five (5) days per week; or
- ii) Forty (40) hour work week, ten (10) hours per day, four (4) days per week. Any workgroup implementing 10-hour shifts can have no more than 50% of the staff assigned to such shifts unless mutually agreed to between the Company and the Union.

The hours of work for a Permanent Part-Time Employee will be based on a minimum twenty (20) hour work week, and a minimum of four (4) hours a day.

B) Shift classification for the purpose of determining shift differentials will be based on:

Day Shift: Shift begins and ends between 6:00 a.m. and 8:00 p.m.

Evening Shift: Shift begins at or later than 4:00 p.m.

Night Shift: Shift begins at or later than 11:00 p.m.

The shift differential for the evening and night shift will be:

Evening Shift	Night Shift
\$1.43	\$3.07

C) The appropriate shift differential will be paid based on 50% or more of the employee's hours of work during his shift.

7.02 A work day assignment will not be split more than once, or extended beyond twelve (12) hours. Split shifts will be restricted to the absolute minimum consistent with the requirements of the service.

*7.03 Employees assigned by the Company to permanent or temporary positions will be given preference at the time of occupancy of shifts in a work group, excluding those of Senior, CT3, or specified positions, on the basis of General District Seniority.

*7.04 Shifts within the work group will be assigned on the basis of seniority and training being sufficient.

*7.05 Employees may exercise seniority for choice of shifts on a permanent or temporary position on April 1st and October 1st of each year. All shift change lists will be forwarded to the appropriate Union Vice President as soon as they are completed.

7.06 An employee shall not be required to work more than five (5) continuous hours without a meal period, or be required to take meal period relief before three and one-half (3-1/2) hours continuous duty has been performed, unless otherwise agreed to by the employee concerned.

- *7.07 The standard unpaid meal period will be of sixty (60) minutes duration. Any deviation from this standard will require mutual agreement. Where there is no mutual agreement or mutual agreement ceases the standard meal period will apply. In no case shall a meal period be less than thirty (30) minutes duration or considered as a split in the shift.
- *7.08 Employees will be granted one short paid relief of fifteen (15) minutes on each portion of a shift.

Article Eight: Overtime, Call-Out, Standby

8.01 Overtime after eight (8) hours service in any day (or after 10 hours for employees working a modified work week) and/or forty (40) hours service in any work week shall be paid for at one and one-half (1-1/2) times the basic straight time rate of pay.

8.02 **Assigned Overtime**

A) Time worked by an employee, not continuous with, before or after the regularly assigned hours, shall be paid for on the basis of a minimum of four (4) hours at one and one-half (1-1/2) times the pro-rata rate for four (4) hours work or less, and the time worked in excess of four (4) hours will be computed on the basis of one and one-half (1-1/2) times the pro-rata rate.

B) Time worked by an employee at home, not continuous with, before or after regularly assigned hours, shall be paid for on the basis of a minimum of two (2) hours at one and one-half (1-1/2) times the pro-rata rate for two (2) hours of work or less, and the time worked in excess of two (2) hours will be computed on the basis of one and one-half (1-1/2) times the pro-rata rate.

*8.03 **Standby**

A) **Voluntary Standby:** The Company will determine the number and locations of employees required for Voluntary Standby. Employees volunteering to be on standby will be paid \$1.50 for each hour of standby coverage outside of their assigned shift(s). They will be required to carry a communications device and respond promptly. An employee that is on a voluntary standby assignment that includes a statutory holiday as defined in Article 14.01 will be paid at the Mandatory Standby rate for the holiday and their normal rest days if the rest days immediately precede or follow the statutory holiday.

B) **Mandatory Standby:** The Company will determine the number and location of employees required for standby. Employees when required to be on standby will be paid one (1) hour of their basic wages, at one and one-half (1-1/2) times that rate, for each eight (8) hours of standby coverage. They will be required to carry a communications device and respond promptly.

C) Employees called out will be paid as per Article 8.03.

No employee will be required to be on Voluntary or Mandatory standby duty for greater than fourteen (14) consecutive days.

Seven (7) days notice will be provided to employees prior to being placed on Voluntary or Mandatory standby. Standby will be assigned on a rotational basis when practical. In the event of an emergency, qualified employees will be assigned to standby and the Union will be advised.

Standby will not be used to reduce staff.

8.04 **Restoral Call Out**

A) An employee called out to work overtime which is not continuous with, before or after the regularly assigned hours will receive a minimum call out of four (4) hours at one and one-half (1-1/2) times the pro-rata rate. The employee will not be required to remain at work for such four (4) hour period subject to operational requirements.

An employee who is called at home and effects a restoral by instructing another technician over the telephone or who effects restoral by personal computer from home will receive a minimum call out of two (2) hours at one and one-half (1-1/2) times the pro-rata rate.

B) An employee called out and accepting one (1) or more trouble calls on the initial call out will be paid for one (1) four (4) hour call out. Time worked in excess of the minimum call out period will be paid at one and one-half (1-1/2) times the pro-rata rate.

C) In the event another trouble call arises during the course of the initial call out the employee will not be entitled to another four (4) hour call out unless the original trouble call(s) have been brought to a satisfactory closure and the employee has been released from the original call out.

D) Call outs which become continuous with, before or after an employee's regular working hours will receive the appropriate overtime rate for the number of hours from call out to/from regular working hours. No minimum applies.

8.05 Employees who have accrued forty (40) hours service in a week and are required to work on their regularly assigned rest days, shall be paid at the rate of one and one-half (1-1/2) times the basic straight time rate for all time worked with a minimum of four (4) hours.

*8.06 Overtime will be offered as equitably as practicable.

When a problem is identified by the local union officer, the local manager shall meet with him to discuss and agree upon an appropriate procedure to ensure equitable distribution at the specific locations.

*8.07 An employee working overtime for which he is entitled to payment at the rate of time and one-half of his regular wage rate shall have the option of receiving equivalent time off with pay in lieu.

Banking of overtime shall be limited to a maximum of sixty (60) straight-time hours and will be liquidated on July 1 and December 31 each year. Overtime banked in the last fifteen (15) calendar days of one-half may be carried over to the following period. Time off entitlement will be based on the actual wage rate of the employee at the time overtime accruals were earned. Payment for time taken will be made through normal pay period procedures.

Requests for time off (minimum four (4) consecutive hours) shall be made not less than fourteen (14) days prior to the requested time off. When operating requirements necessitate, the Company shall have the right to defer such requests. Time limits and minimum period of leave may be waived by mutual agreement between the employee and the supervisor. Requests for specific days off will not be unreasonably withheld. Time off will not be granted when it directly results in additional overtime.

Employees may request payment of banked overtime on fourteen (14) days notice at which time all such monies owing will be liquidated.

8.08 An employee who works more than two (2) hours of overtime continuous with the end of his regular tour will be allowed a twenty (20) minute paid meal period. Such period will not be taken at the end of the shift.

- *8.09 A) Employees, except those travelling to or from a training course, will be paid regular time rates for time spent travelling outside of regularly-assigned hours of duty on order of the Company.

An employee driving a Company vehicle on Company business, outside of his assigned hours, will be paid overtime in accordance with Article 8.

Employees traveling between their home and their regular work location as defined in Article 1.04 of the Collective Agreement will not be compensated for travel or driving time.

B) Employees having established seniority who are selected for training will, if required to travel from their headquarters to the training location, suffer no loss of wages while in transit but will not be paid for time spent travelling outside normally assigned hours nor on rest days.

C) If the employee selected for training is required to travel outside his normal working hours or on rest days and is required to stay overnight, he will be eligible for a training allowance of four (4) hours at his base rate of pay or four (4) hours paid time in lieu, to be determined by the Company. Time off to be mutually agreed.

- 8.10 **Permanent Part-Time employees (Telephone Operator-Long Distance)** may, but will not be required to work in excess of the hours they normally work in one week. Any time worked in excess of an employee's regular hours will be paid at his pro-rata rate of pay, until such time as he has exceeded eight (8) hours in one day and/or forty (40) hours in a week, at which time overtime will be paid at the rate of one and one-half (1-1/2) times his pro-rata rate of pay.
- 8.11 When requested by the employee, a rest period of 4 hours will be provided to employees who work overtime within eight (8) hours of the start of their next regularly scheduled shift, without any loss of pay.

Article Nine: Staff Reduction

- *9.01 A) Effective from ratification, the Company shall provide the Local Union President, within ninety (90) days, advance notice of all layoffs and displacements.
- B) All layoffs or displacements of all employees will be governed by the terms and conditions of the Collective Agreement and the Job Security Agreement.
- C) The Company shall give an employee who is being displaced or laid off and who has completed the required probationary period and has established seniority, at least fifteen (15) calendar days notice in writing.
- D) The employee, upon receipt of notice of layoff or displacement must, within three (3) business days, advise his manager and the local Human Resources office of his intention to invoke the options provided under this Article. Extensions to this time frame (within the 15 day period) require mutual agreement by the Company and the Union and will not be unreasonably withheld. The employee will not be paid for additional time necessary to provide proper notice, fifteen (15) days, to another employee being displaced.
- E) If the Company intends to reduce staff in the Telephone Operator-Long Distance classification the Company will first lay off any Permanent Part-Time employees before the Company lays off any full-time employees in this classification. If a Permanent Part-Time employee is affected by a layoff from outside his work group he may exercise his seniority rights to a different status within the work group.
- *9.02 A) Prior to issuing the layoff notice to the employee, the Company will issue an Early Retirement Separation Allowance (ERSA) in accordance with the Job Security Agreement to eligible employees in the classification at the work location first. Applications from eligible employees will be accepted on the basis of seniority. Should there be an insufficient number of applications, ERSAs will then be offered in the Job Security Eligibility Territory (JSET).
Applications from eligible employees in the JSET may be accepted contingent on the Company's ability to rebalance to backfill the position and rescind the layoff notice. The Company reserves the right to also offer the ERSA program within the District. Any applications from the District may be accepted contingent on the Company's ability to rebalance to backfill the position and rescind the layoff notice.
- B) If outstanding layoffs remain after the ERSA offer, the Company will issue a Voluntary Severance Allowance (VSA) in accordance with the Job Security Agreement to eligible employees in the classification at the work location first. Applications from eligible employees will be accepted on the basis of seniority. Should there be an insufficient number of applications, VSAs will then be offered in the Job Security Eligibility Territory (JSET).
Applications from eligible employees in the JSET may be accepted contingent on the Company's ability to rebalance to backfill the position and rescind the layoff notice. The Company reserves the right to also offer the VSA program within the District. Any applications from the District may be accepted contingent on the Company's ability to rebalance to backfill the position and rescind the layoff notice.
- *9.03 In the event of a staff reduction in any Technical or Non-Technical classification, the employee with the least General District Seniority (GDS) in the work location, in the classification in which the reduction is being effected will be laid off first.

A) The employee whose position is abolished or who is displaced will be eligible for a Voluntary Severance Allowance (VSA); or

B) The employee whose position is abolished or who is displaced may elect voluntary layoff and if eligible, will receive fifty percent (50%) of his weekly layoff benefit entitlement contained in the Job Security Agreement. Such employee will not be subject to the recall provisions contained in Article 5; or

C) The employee whose position is abolished or who is displaced will, if qualified, have the option of exercising his General District Seniority (GDS) to displace in the permanent work location where the junior is located, in his Job Security Eligibility Territory (JSET), as defined in the Job Security Agreement, in his current classification, or in a classification with a lower maximum step level; or

D) The employee whose position is abolished or who is displaced will, if qualified, have the option of exercising his General District Seniority (GDS) to displace in the permanent work location where the junior is located, in the seniority and promotional district, in his current classification, or in a classification with a lower maximum step level. If by exercising this option, such an employee is not able to retain a position, if eligible, he may participate in the benefits contained in the Job Security Agreement. If he is not eligible to receive the benefits of the Job Security Agreement, he may defer payment of his severance entitlement in order to remain on the recall list.

E) An employee who exercised the option provided for in paragraph C) and who is later displaced from the permanent work location by a senior employee will have the option, if he is not entitled to or does not accept the benefits provided for in Article 9.02 and 9.03 A), of exercising his seniority rights under paragraph (D) or elect voluntary layoff under paragraph B). Such employee will only be entitled, upon request, to receive relocation benefits under Article 7 of the Job Security Agreement for one of his displacements; based on the original layoff.

F) An employee who exercised the option provided for in paragraph C) and who is later displaced or laid off as the result of his permanent work location ceasing to be permanent will have the option, if he is not entitled to or does not accept the benefits provided for in Article 9.02 and 9.03 A), of exercising his seniority rights under paragraph D) or may elect voluntary layoff under paragraph B).

G) Unless otherwise indicated as in Article 13, an employee exercising seniority to displace into a position with a lower maximum step level shall receive his same step in the new position except where his current step level is higher than the maximum step level of the new position in which case his rate will be adjusted to the maximum step of the lower rated position. If his current rate of pay is lower than the maximum step level of the new position, he will be placed at the closest step equal to or greater than his current rate of pay.

H) An employee who does not exercise any of the options provided in A), B), C), D), will forfeit all General District Seniority (GDS) and classification seniority and be deemed as voluntarily resigning from the Company.

*9.04 **Job Security Eligibility Territories**

The following are the Job Security Eligibility Territories in Allstream for purposes of application of Articles 5 (Weekly Layoff Benefits and Severance payments), 8.9 (Maintenance of Basic rates) and 10 (Special provisions for employees with 20 years or more of cumulative compensated service) of the Job Security Agreement:

JSET # 1

Seniority District: Atlantic

JSET Description: The Province of Newfoundland and Labrador

Work Locations within the JSET: Corner Brook, Gander, St John's, Raleigh

JSET # 2

Seniority District: Atlantic

JSET Description: The Province of Nova Scotia

Work Locations within the JSET: Halifax, Sydney, New Glasgow, Truro

JSET # 3

Seniority District: Atlantic

JSET Description: The Province of Prince Edward Island and that portion of the Province of New Brunswick East of a line extending from Fosterville through Kouchibouguac.

Work Locations within the JSET: Charlottetown, Moncton, Fredericton, Saint John.

JSET # 4

Seniority District: Atlantic

JSET Description: That portion of the Province of New Brunswick Territory 2 above.

Work Locations within the JSET: Edmunston, New Castle, Woodstock

JSET # 5

Seniority District: Quebec

JSET Description: That portion of Quebec Seniority District east of the St. Lawrence River and north of a line extending from Montmagny to the Quebec border at St. Zacharie.

Work Locations within the JSET: Rivière-du-Loup

JSET # 6

Seniority District: Quebec

JSET Description: That portion of Quebec Seniority District west of the St. Lawrence River and north of a line extending from Louiseville to Parent (including both locations) and east of a line extending from Parent to Labrador City and including the area bounded by a line extending from Montmagny to St. Zacharie to St. Nicholas.

Work Locations within the JSET: Quebec City (includes Ste-Foy), Chicoutimi, Trois Rivières

JSET # 7

Seniority District: Quebec

JSET Description: That portion of the Quebec Seniority District north and west of a line extending from Labrador City to Parent to Chalk River, Ontario.

Work Locations within the JSET: Val d'Or.

JSET # 8

Seniority District: Quebec

JSET Description: The remainder of the Province of Quebec, not including Territories 4, 5, and 6 above or Hull, Quebec.

Work Locations within the JSET: Montreal, Drummondville, St. Laurent, Sherbrooke.

JSET # 9

Seniority District: Quebec

JSET Description: That portion of the Province of Ontario which falls within the jurisdiction of the Quebec Seniority District and the City of Hull.

Work Locations within the JSET: Smith Falls, Ottawa, Cornwall, Kanata.

JSET # 10

Seniority District: Ontario

JSET Description: That portion of the Province of Ontario within the jurisdiction of the Ontario Seniority District which is south and east of a line extending from Chalk River to (and including) Parry Sound and north east of a line extending from Parry Sound to Ajax.

Work Locations within the JSET: Huntsville, Oshawa, Belleville, Kingston

JSET # 11

Seniority District: Ontario

JSET Description: That portion of the Province of Ontario south of a line extending from Parry Sound to Ajax.

Work Locations within the JSET: **Greater** Toronto Area, Brampton, Barrie, Sarnia, St. Catharines, Kitchener, Woodstock, Hamilton, London, Windsor, St. Thomas, Milton, Fort Erie.

JSET # 12

Seniority District: Ontario

JSET Description: That portion of the Province of Ontario west of a line extending from Chalk River to Parry Sound and east of a line extending from Agawa Bay to Noranda, Quebec.

Work Locations within the JSET: Sudbury, North Bay, Sault Ste Marie.

JSET # 13

Seniority District: Ontario

JSET Description: That portion of the Ontario Seniority District not covered by Territories 9,10 and 11 above.

Work Locations within the JSET: White River

JSET # 14

Seniority District: Prairie

JSET Description: That portion of the Province of Ontario included in the jurisdiction of the Prairie Seniority District.

Work Locations within the JSET: Thunder Bay, Dryden, Kenora.

JSET # 15

Seniority District: Prairie

JSET Description: That portion of the Province of Manitoba north of a line extending from Benito through Pine Dock.

Work Locations within the JSET:

JSET # 16

Seniority District: Prairie

JSET Description: That portion of the Province of Manitoba not covered by Territory 14 above.

Work Locations within the JSET: Winnipeg, Brandon, Polonia, Gunton, Portage le Prairie

JSET # 17

Seniority District: Prairie

JSET Description: That portion of the Province of Saskatchewan north of a line extending from Benito, Manitoba to Macklin.

Work Locations within the JSET: Saskatoon

JSET # 18

Seniority District: Prairie

JSET Description: That portion of the Province of Saskatchewan not covered by Territory 16 above.

Work Locations within the JSET: Regina, Duff

JSET # 19

Seniority District: Alberta

JSET Description: That portion of the Province of Alberta north of a line extending from Macklin, Saskatchewan to Albreda, British Columbia.

Work Locations within the JSET: Mulhurst, Edson, Edmonton, Jasper, Lloydminster

JSET # 20

Seniority District: Alberta

JSET Description: That portion of the Province of Alberta not covered by Territory 18 above.

Work Locations within the JSET: Calgary, Lethbridge, Red Deer.

JSET # 21

Seniority District: Pacific

JSET Description: That portion of the Province of British Columbia north of a line extending from Albreda to Powell River (excluding Vancouver Island).

Work Locations within the JSET: Prince George

JSET # 22

Seniority District: Pacific

JSET Description: That portion of the Province of British Columbia south and east of a line extending from Albreda through Hedley.

Work Locations within the JSET: Kelowna, Penticton, Nelson, Vernon.

JSET # 23

Seniority District: Pacific

JSET Description: That portion of the Province of British Columbia not covered by Territory 21 and 22 above.

Work Locations within the JSET: Nanaimo, Vancouver, Dome Creek, Victoria, Kamloops, Hope, Abbotsford, Port Coquitlam, Chiliwack.

Article Ten: Preservation of Rates

- 10.01 The maximum step level established for additional positions in existing classifications will be comparable to those of other positions in the classification performing work with the same level of complexity and responsibility.

- 10.02 When a change in the maximum step level of any existing and/or new position or classification is proposed, the work of the position or classification affected will be reviewed and compared with the duties and responsibilities of comparable positions or classifications by the proper officer of the Company and the Local Union President with the object of reaching an agreement on revised rates to maintain uniformity for positions or classifications of which the duties and responsibilities are relatively the same.

Article Eleven: Training

- 11.01 The Company will select the employees to be trained and will provide training facilities and instruction to the number necessary to meet staff requirements resulting from business demands, technological developments, promotion, etc. Training will be distributed as equitably as possible within the work group.

Article Twelve: Preservation and Application of Wage Scales

12.01 All Technical and non-Technical employee salaries will be in accordance with the single ladder structure rates in Appendix A and B.

12.02 A) New employees will normally commence employment at the entry-level rate.

B) A starting rate may be paid in excess of the entry-level rate based on the level of previous experience and/or knowledge

C) A new employee, who has successfully completed his training requirements and who has not completed one (1) year service may have his rate adjusted upward by a maximum of two (2) steps based on performance, demonstrated ability and experience. Notice of such will be provided to the applicable Union Regional Vice President.

12.03 Salary progression to higher steps for which an employee is eligible will be based on:

A) **Normal Progression:** Six (6) month adjustment, based on satisfactory job performance from date of hire.

B) **Promotion:** Immediate adjustment of one step level. Such promotion will not affect normal step rate progression as per article 12.03 A).

C) **Performance Review:** An employee's performance will be evaluated every six (6) months. If any employee's performance is not satisfactory, his scheduled salary increase may be withheld. He will be so advised in writing thirty (30) days prior to the date on which such salary increase was due. During the following thirty (30) day period, he will have an opportunity to improve his performance to the necessary standard. In such an event, he will be granted his scheduled salary increase on the original date. If his performance does not improve sufficiently during this period, but does at a later date, his salary increase shall be made effective from the first day of the month following the date on which he qualifies.

12.04 An employee transferring from one position to another for which he is qualified shall receive the same step in addition to credit for time accrued for the purpose of progression to the higher step.

An employee exercising seniority to obtain a position with a lower maximum step level shall receive his same step in the new position except where his current step level is higher than the maximum step level of the new position in which case his rate will be adjusted to the maximum step of the lower rated position.

12.05 Authorized absences not exceeding thirty (30) calendar days in any six (6) month period shall be counted for the purpose of step rate progression.

An employee who has achieved the maximum step level of a position, and as a result of staff reduction is required to accept a position with a lower maximum step level, will automatically receive the maximum step rate of the higher rated position again, at such time as he is assigned or posted back to that position.

12.06 The pay period for all employees shall be on the basis of every two weeks. Pay day for all employees shall be every second Thursday. The Company will give the Union thirty (30) days notice before any change in the pay day.

- *12.07 A) An employee in a Non-Technical classification assigned for one (1) day or more to a position with a higher maximum step level shall receive the salary rate of one step level above his rate on date of appointment.

B) An employee temporarily assigned to a position with a lower maximum step level shall not have his rate reduced.
- *12.08 Former Computer Technicians, Diesel Technicians II, Specialists, Electricians and National Network Controllers will remain at a personal rate until such time the Step 12 rate becomes equal to or exceeds the employee's personal rate, at which time the rate of pay will be integrated at Step 12.

Article Thirteen: Technological Change

- 13.01 The Company will consult with the Union in order to assist employees whose terms and conditions of employment are affected by substantial technological changes. A minimum of three (3) months notice of such technological change will be provided to the Union. Such notice shall provide a description of the change.
- 13.02 When a notice is issued under Article 13.01 and it becomes known to the Company that the change will be delayed for reasons over which the Company has no control, advice will be issued to the Union concerned, and employees involved explaining the situation and revising the implementation dates. If necessary, more than one such advice may be issued.
- 13.03 On the introduction by the Company of technological, operational, and/or organizational changes of a permanent nature, the provisions relating to the Job Security Agreement, as applicable, will govern.

Article Fourteen: General Holidays

14.01 An employee who qualifies in accordance with Article 14.05 shall be granted a holiday with pay on each of the following general holidays:

All Provinces:

1. New Year's Day
2. Good Friday
3. Victoria Day
4. Canada Day
5. Labour Day
6. Thanksgiving Day
7. Christmas Day
8. Boxing Day
9. Floater - a day observed after that day on which boxing day is observed and prior to January 3. Employees will have the option of determining their individual day of observance provided such request is submitted prior to December 1 of each year. Optionally the employee can, with the consent of his manager, take this day at any other date throughout the year.

New Brunswick:

1. New Brunswick Day
2. Remembrance Day

Prince Edward Island:

1. Easter Monday
2. Remembrance Day

Quebec:

1. St. Jean Baptiste Day (in substitution for Remembrance Day)
2. The first Monday in August.

Newfoundland, Nova Scotia, Saskatchewan, Ontario, Alberta, Manitoba and British Columbia:

1. Civic Holiday (the first Monday in August)
2. Remembrance Day

14.02 In the event the Government of Canada designates "Heritage Day" or such other day as a General Holiday, the day so designated by the Government shall be recognized as a General Holiday.

*14.03 When a general holiday falls on an employee's rest day, such holiday shall be moved to the normal working day immediately preceding or following the employee's rest day. The manager and employee will mutually agree to which day is selected. If mutual agreement cannot be reached by the parties, the holiday shall be moved to the normal working day immediately following the employee's rest day.

14.04 In order to qualify for pay for any one of the holidays specified in clause 14.01, an employee:

- A) Must have been in the service of the Company and available for duty for at least thirty (30) calendar days. This clause (A) does not apply to an employee who is required to work on the holiday;

- B) Must be available for duty on such holiday if it occurs on one of his work days excluding vacation days, except that this does not apply in respect of an employee who is laid off or suffering from a bona fide injury, or who is hospitalized on the holiday, or who is in receipt of, or who subsequently qualifies for, weekly sickness benefits because of illness on such holiday. A regularly assigned employee who is required to work on such general holiday shall be given an advance notice of fourteen (14) calendar days when service requirements will permit, but not less than seven (7) calendar days, except for unforeseen exigencies of the service, in which case he will be notified not later than the completion of his shift or tour of duty immediately preceding such holiday that his services will be required.
- C) 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. This clause (C) does not apply to an employee who is required to work on the holiday.
- 14.05 When a general holiday, specified in article 14.01 falls within an employee(s) vacation period, the deferred day will be granted at the beginning or end of the selected vacation, provided such designation is made at the time of vacation sign up, or will be granted to the employee on a mutually agreed upon day.
- 14.06 An employee who does not qualify under clause 14.04 with respect to pay for a general holiday and who is required by the Company to work on that day shall be paid in accordance with the provisions of Articles 7 and 8 of this Agreement as applicable.
- 14.07 An assigned employee qualified under clause 14.04 and who is not required to work on a general holiday shall be paid eight (8) hours' pay at the straight time rate of his regular assignment.
- 14.08 An unassigned or spare employee qualified under clause 14.04 and who is not required to work on a general holiday shall be paid eight (8) hours' pay at the straight time rate applicable to the position in which such employee worked his last tour of duty prior to the general holiday.
- 14.09 In the application of clauses 14.07 and 14.08 for weekly rated employees, "eight (8) hours' pay at the straight time rate" shall be deemed to be a day's pay as calculated according to clause 14.12.
- 14.10 An employee qualified under clause 14.04 and who is required to work on a general holiday shall be paid, in addition to the pay provided in clauses 14.07 or 14.08 at a rate equal to one and one-half (1-½) times his regular rate of wages for the actual hours worked by him on that holiday with a minimum of three (3) hours for which three (3) hours service may be required but an employee called for a specific purpose shall not be required to perform routine work to make up such minimum time. When more than one shift is worked by an employee on a general holiday, the provisions of Article 14.07 shall apply to the first shift only.

As an alternative, the Company may require that qualified employees who are required to work on a general holiday be paid at straight time rates and bank whatever overtime is accruable to them under the foregoing provisions.

Earned time off will be taken during the current three (3) month period or carried forward to the following quarter when the holiday worked occurs in the last fifteen (15) days of the period.

Employee requests for time off entitlement to be continuous with normal rest days will be granted.

Where operational requirements prohibit time off in lieu or when mutual agreement cannot be reached, payment for time earned will be granted when that determination is made, but no later than the end of that quarter.

14.11 Shifts or tours of duty commencing between 12:00 midnight on the day of the general holiday and 11:59 p.m. on the night of the general holiday, both times inclusive, shall be considered as work on that holiday.

14.12 The daily rate of pay for weekly rated employees shall be the weekly rate divided by five.

14.13 In the application of this Article it is the intention to rotate the staff as far as it is possible to do so consistent with service requirements.

14.14 **General Holiday Assignment**

For the purposes of staffing on a general holiday, the following process shall be applied:

- i) Volunteers from within the workgroup will be requested. If there are more volunteers than needed, then assignments will be made by seniority and equity. If there are insufficient volunteers, then;
- ii) Assign the junior employee on the shift who has not worked a holiday. This procedure will be repeated until all employees on that shift have worked a holiday, at which time the assignment will be made to the junior employee from another shift who has not yet worked a holiday.
- iii) If all employees in the workgroup have already worked a holiday, then assignments will be made based on the junior employee in the workgroup who has the least amount of holidays worked.

Note: Volunteering to work on holidays will count as an assignment in the above steps. Furthermore, no employee can be assigned to work two (2) consecutive days in a row, but the employee can be assigned to work a holiday that falls on his normal rest day.

Article Fifteen: Vacations

*15.01 Vacation earned in any calendar year will be taken during the following calendar year except with regards to newly hired employees who will be given at date of hire, prorated vacation entitlement based on three (3) weeks annual vacation. In the following year, the employee will be guaranteed three (3) weeks vacation regardless of his cumulative calendar years of service.

*15.02 Vacation entitlement will be based on the completion of cumulative calendar years of service, as at the preceding December 31st, as outlined in the following table. The same entitlement applies to each subsequent calendar year, until a higher entitlement is attained as outlined in the following table.

New hires	See Article 15.01
Less than 2 years service	3 weeks paid vacation
2 years service	3 weeks paid vacation
7 years service	4 weeks paid vacation
17 years service	5 weeks paid vacation
26 years service	6 weeks paid vacation

15.03 Where an employee has five (5) weeks or more vacation entitlement, unless prior approval is obtained, he will not be able to take more than four (4) consecutive weeks at one time.

Where an employee has six (6) weeks vacation entitlement, the Company will have the option of paying the employee at pro-rata rates for the sixth week.

*15.04 When an employee wishes to take vacation in January/February and when such times are available; then the employee may advise the Company of such request by November 30 of the preceding year. Requests for vacation dates will be honoured on the basis of general district seniority and will appear on the vacation lists circulated in January as the first choice for only those employees required to exercise their seniority to acquire that preferred time.

15.05 An employee will be compensated for vacation at the rate of the position which he would have been filling during such vacation period.

15.06 Vacation days shall be exclusive of the assigned rest days and the general holidays specified in Article 6 and Article 14 of the Agreement.

15.07 Provided an employee renders compensated working service in any calendar year, time off duty on account of bona fide illness, injury, authorized pregnancy leave, leave to attend committee meetings, called to court as a witness or for uncompensated jury duty, not exceeding a total of 100 days in any calendar year shall be included in the computation of service for vacation purposes.

15.08 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.

- 15.09 An employee who, due to sickness or injury, is unable to take or complete his annual vacation in that year shall, at the option of that employee, have the right to have such vacation carried to the following year.
- 15.10 An employee who, while on annual vacation becomes ill or is injured, shall have the right to terminate (temporarily) his vacation and be placed on short-term disability. An employee who is again fit for duty shall immediately so inform the Company officer in charge, and will continue his vacation if within his scheduled dates. If the remaining vacation falls outside the employee's scheduled dates, such vacation will be rescheduled as may be mutually agreed between the proper officer of the Company and the authorized local Union representative.
- 15.11 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 15.02 inclusive, and, if not granted, shall be allowed pay in lieu thereof.
- 15.12 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.
- *15.13 Each year in January, the Company will circulate a vacation list(s) at each workgroup. Vacation selection will be based on allowing a minimum of 18% of the staff on the vacation list being off at any one time. When making this calculation, if the fractional part of the result is equal to or greater than 0.5 then the number will be rounded up.
- The list will be circulated in order of greatest District Seniority and each employee will make his first choice. Once the list has been circulated to all employees, it will start over for a second choice and, if necessary, a third time for the balance. Annual vacation selection will be completed no later than January 31 of each year.
- 15.14 Unless otherwise mutually agreed, employees who do not apply for vacation in the manner as provided in Article 15.13 shall be required to take their vacation at a time to be prescribed by the Company.
- 15.15 An employee who is entitled to vacation shall take same at the time scheduled. If, however, it becomes necessary for the Company to reschedule an employee's scheduled vacation dates, he shall be given at least fifteen (15) working days advance notice of such rescheduling and will be paid at the rate of time and one-half his regular rate of wages for all work performed during the scheduled vacation period. The rescheduled vacation with pay to which he is entitled will be granted at a mutually agreed upon later date. This Article 15.15 does not apply where rescheduling is a result of an employee exercising his seniority to a position covered by another vacation schedule.
- 15.16 The vacation dates for an employee who is the successful applicant for a regular or temporary vacation relief position will be assigned, as far as is practicable, to permit him to take his vacation on the dates requested, seniority permitting. In the event that he is required to perform vacation reliefs during such period, his vacation will be deferred to a later date when not required as a relief employee. In such event, he will be paid for his vacation at the rate of the position occupied on the dates he would otherwise have been assigned vacation.

- *15.17 An employee returning to duty after completion of vacation shall resume his former position. In the event such position is no longer existent, he may exercise his seniority rights in accordance with Article 9. In any event he may exercise his Seniority to any position bulletined and filled during his absence providing he has the necessary qualifications and his application reaches Human Resources (Central BU Postings e-mail mailbox) not later than seven (7) calendar days from the date of his return. But in either case, where the employee so displaced is required to receive fifteen (15) days' notice, the returning employee will not be allowed to assume the position until the expiration of this period.
- 15.18 In the selection of vacation dates in accordance with Article 15.13, employees will be allowed to divide their allotted vacation entitlement in accordance with the following:
- A) The vacation will be taken in segments of not less than one (1) week;
 - B) Employees will select their first segment in order of seniority in accordance with Article 15.13;
 - C) Each subsequent selection of remaining Vacation entitlement will be in order of seniority to be selected after the initial vacation selections for that vacation list have been completed;
- 15.19 Employees desiring an advance vacation payment must make application for same not later than five (5) weeks prior to commencing their vacation. The advance vacation payment shall be for complete weeks only and shall be equal to their rate at the time of application less an appropriate amount to cover standard deductions. An employee may make only one request for an advance against vacation pay in each calendar year.

Article Sixteen: Expenses

*16.01 A) Work Related Expenses

Expenses will be paid by the Company when the employee (except the employee selected for training) cannot return home or is assigned to work more than one hundred and fifty (150) kilometres outside his headquarters.

B) Training Related Expenses

Expenses will be paid by the Company when the employee is selected for training and is required to travel from his permanent work location to the training location.

Markham, ON is considered to be part of the Greater Toronto Area for the purposes of training. Employees may request reimbursement for transportation expenses as outlined in Article 16.02 C) or mileage allowance as per Article 16.04. The Company may provide transportation for this purpose in lieu of these expenses.

*16.02 Expenses for which eligible employees will be entitled will be as follows:

A) Meal Allowance:

Meal	Jan1/2004	Jan 1/2005	Jan 1/2006
Breakfast	\$8.00	\$8.00	\$8.00
Lunch	\$12.00	\$13.00	\$14.00
Dinner	\$25.00	\$26.00	\$27.00
TOTAL	\$45.00	\$47.00	\$49.00

Allowances listed are all-inclusive amounts to which employees who fulfill eligibility requirements at the time a meal period is allotted are entitled. The above amounts may be increased at the discretion of the Second Level Manager in cases of high cost areas or unusual circumstances. No receipts are required. The Company reserves the right to provide for meals in lieu of above expenses.

B) **Accommodation:** Employees assigned to duties which prevent them from returning home at night will be allowed actual reasonable expenses for hotel accommodation (receipt required) or in lieu thereof an amount of \$40.00 per night for accommodation of choice (no receipt required). The Company may arrange hotel accommodation in advance.

C) **Transportation:** Transportation charges including train, airplane, taxi and/or public transportation will be provided by the Company as authorized and directed by the responsible supervisor in advance. Receipts are required.

D) **Miscellaneous:** Where an assignment requires an employee to be away from home for two (2) or more consecutive nights, he will be entitled to claim a miscellaneous allowance of \$8.00 per night retroactive to the first day of the assignment.

Where an assignment required an employee to be away from home for more than seven (7) consecutive days, he may claim for each such period actual reasonable laundry expenses. Receipts are required.

When away for more than one day, the employee will be entitled to five (5) minutes of long distance calling per day.

E) **Advance on Expenses:** Where required, a reasonable amount of money for expenses will be advanced by the Company.

F) When expenses are incurred out of country, the employee will receive his allowance at the current exchange rate for that country.

16.03 Employees, when working away from their regular headquarters, may, when the work situation will permit, be allowed to return home for their rest days, provided:

A) Proper Company official is advised;

B) They are available at the work location at the assigned starting time at the beginning of the regular work week; and

C) The expense including travel time involved will not exceed that which would be incurred had they remained at the work location on their rest days.

Notwithstanding the above, such employees will be allowed to return home for their rest days no less frequently than every two (2) weeks or that employee will be guaranteed a minimum eight (8) hours work at premium rates through that rest period.

*16.04 Where the use of a personally owned automobile is authorized, the allowance paid shall be \$0.37 per kilometre.

Effective January 1, 2005 the mileage amount will increase to \$0.38 per kilometre.

Effective January 1, 2006 the mileage amount will increase to \$0.39 per kilometre.

Article Seventeen: Leave of Absence

17.01 Union Leave

An employee of the Company elected or appointed to the position of President, or a full time position in the Local Union or National Union of the CAW-Canada will be granted a leave of absence without pay by the Company. A request for leave of absence, stating the duration of the absence, will be submitted in writing to the employee's manager at least thirty (30) calendar days prior to the date requested. Such approval will not be unreasonably withheld.

An employee of the Company elected or appointed to Regional Vice President or a part-time position in the Local Union will be granted a leave of absence without pay. For continuity of pay, such employee will remain on the payroll and the Union will be billed monthly. A request for leave of absence, stating the duration of the absence, will be submitted in writing to the employee's manager at least three (3) working days prior to the date requested. Emergency situations requiring their presence will not require such written notice, subject to advising and receiving approval from their manager. Such approval will not be unreasonably withheld.

The Union may, in addition to those officers listed above, nominate additional employees as local representatives on the basis of one (1) for each work group. For continuity of pay, such employees will remain on the payroll and the Union will be billed monthly. A request for leave of absence, stating the duration of absence, will be submitted in writing to the employee's manager at least three (3) working days prior to the date requested. Emergency situations requiring their presence will not require such written notice, subject to advising and receiving approval from their manager. Such approval will not be unreasonably withheld.

Any employee or Union official participating in a joint meeting required by the Company will suffer no loss of wages and will be considered as if working for all purposes.

Employees that are granted a leave of absence under the above shall have their seniority and pension credits accrue while on such leave.

A) Full Time: Employees elected Local Union President or any other full time local union officers remain covered under the Company life insurance, extended health care and dental plans outlined in Article 21. The Company will pay the full cost of the monthly premiums for such coverage.

B) Part Time: Employees elected as Regional Vice President for each promotion and seniority district, when granted, in accordance with the provisions of the Agreement, a leave of absence without pay of up to thirty (30) calendar days duration, for Union business, shall suffer no loss of benefits under Article 21.

17.02 An employee, at the discretion of the Company and in accordance with Company rules and regulations, may be granted up to three (3) months leave of absence without pay in any twelve (12) month period. The employee will apply for such leave of absence in writing. If such leave is granted, he will be required to report back for duty on or before the expiry date of such approval.

However, in the event of sickness or other bona fide reason, additional or extended leave of absence in accordance with Company's rules and regulations may be granted, but in each case the employee shall obtain approval in writing prior to the expiry date of the authorized leave.

- 17.03 An employee on authorized leave of absence shall continue to accumulate seniority while on such leave, and his name shall be continued on the seniority list for the classifications in which he has established seniority rights.
- *17.04 An employee returning to duty for a temporary period after leave of absence granted for educational purposes will be returned to his former classification and step level provided there is a vacant position available for which qualified. In all other cases, an employee returning to duty after a leave of absence shall resume his former position and step level. In the event such position is no longer existent, he may exercise his seniority rights in accordance with Article 9.

He may also exercise his seniority to any regular position bulletined and filled during his absence, providing he has the necessary qualifications and his application reaches Human Resources (Central BU Postings e-mail mailbox) not later than seven (7) calendar days from date of his return. However, where the employee so displaced is required to receive fifteen (15) days' notice, the returning employee will not be allowed to assume the position until the expiration of this period.

17.05 **Bereavement Leave**

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 four (4) days bereavement leave without loss of pay provided he has not less than three (3) months cumulative compensated service. The employee will be granted up to four (4) days bereavement leave for the purpose of attending the funeral upon the death of the employee's grandchild, grandparent, brother-in-law or sister-in-law. 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.

- *17.06 In the application of this Article, spouse will include any person, who is living with that person for at least a year, if the two persons have publicly represented themselves as husband and wife, or as an analogous relationship.

17.07 **Jury Duty**

An employee who is summoned for jury duty and is required to lose time from his assignment as a result thereof, shall be paid for actual time lost with a maximum of one basic day's pay at the straight time rate of his position for each day lost, 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:

A) An employee must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.

B) The number of working days for which jury duty pay shall be paid is limited to a maximum of sixty (60) days in any calendar year.

C) 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.

17.08 **Subpoenaed to Appear in Criminal Court**

An employee who is subpoenaed to appear in criminal court proceedings and is required to lose time from his assignment as a result thereof, shall be paid for actual time lost with a maximum of one basic day's pay at the straight time rate of his position for each day lost, less the amount allowed for court duty for each such day excluding allowances paid by the court for meals, lodging or transportation, subject to the following requirements and limitations:

A) An employee must provide the Company with a statement from the court containing witness allowances paid and the days on which he was required to appear as a witness.

B) The number of working days for which a subpoenaed employee shall be paid is limited to a maximum of three (3) days in any calendar year.

C) No subpoenaed employee will be paid 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 due to a subpoena

Article Eighteen: Corrective Action

- 18.01 An employee shall not be disciplined or discharged except for just cause.
- 18.02 An employee who has completed his probationary period will not be subject to corrective action or discharged until his case has been thoroughly investigated by the Company.
- *18.03 When an employee is required by the Company to attend a formal review meeting regarding corrective action, the employee and the Union will be notified in writing four (4) working days in advance unless an extension is mutually agreed to between the manager and the Union Vice President.
Notification will contain the specific reason(s) for the review as well as the time, date, and location of the review. If requested by the Union Vice President, more information will be provided in advance of the review.
The employee will have the assistance of one or two fellow employees or a Union representative unless the employee objects.
- *18.04 An employee may be held out of service in the event of a dismissible offence for a period not exceeding four (4) days pending the investigation of his case.
- 18.05 Any decision resulting in corrective action will be rendered within forty five (45) days from the acknowledgment of the incident giving rise to such corrective action. The date of acknowledgment shall be established upon request.
Such notice will contain the reasons for the corrective action and a copy will be forwarded to the Union within seven (7) calendar days of the decision, unless the employee refuses to allow such.
This time limit may be extended by mutual agreement between the Company and the Union.
- *18.06 When the Company concludes that an employee's conduct justifies discharge for just cause, the Company will notify the employee and the Union in writing that it will discharge him/her at the end of an immediate suspension period of three (3) working days, during which the employee may appeal to a senior Company officer. The Company officer must meet the employee and the Union representative within the three (3) day period and within 48 hours of this meeting state in writing to the employee and Union that the discharge is sustained, modified or revoked. The time frame for this meeting may be extended by mutual agreement between the Company and the Union.
- *18.07 Should the employee be exonerated and no discipline imposed, he shall be paid for any time lost, with a maximum of one (1) day's pay for each regularly scheduled work day, to a maximum of five (5) days per week.
- *18.08 When the Company concludes that an employee's conduct justifies suspension without pay, the Company will notify the employee and the Union in writing that it will suspend him without pay. On receipt of such letter the employee will have three (3) working days to appeal to the second level manager. The second level manager must meet the employee and the Union representative within three (3) working days of receiving the appeal. Within forty-eight (48) hours of this meeting the second level manager will state in writing to the employee and the Union that the suspension without pay is sustained, modified, or revoked. The time frame for this meeting may be extended by mutual agreement between the Company and the Union.

*18.09 Any correspondence on an employee's file more than two (2) years old and relating to corrective action will not be used for the purposes of arbitration.

Article Nineteen: Grievance Procedure

*19.01 A grievance concerning interpretation or alleged violation of this Agreement, or an appeal by an employee who believes that he has been unjustly dealt with, shall be processed in the following manner.

It is understood that prior to filing a step 1 grievance the employee (with the assistance of the local representative) shall take every reasonable step to resolve the issue with the employee's manager.

It is further agreed that the above clause does not preclude or negate an individual's right to file a grievance.

Step 1: The aggrieved employee shall present his grievance in writing, identifying the Article(s) of the Collective Agreement alleged to have been violated and the remedy(ies) sought to his immediate manager within thirty (30) calendar days following the cause of the grievance. The manager will render a decision in writing within fourteen (14) calendar days following receipt of the employee's grievance. A copy of the Company decision at Step 1 will be sent to the Union.

Any mutual agreement to resolve a grievance at this step between the employee, Union Representatives and Company Representatives will be done without precedent.

Step 2: If the grievance is not settled at Step 1, the Regional Union Vice President or in his absence, his accredited representative may, within thirty (30) calendar days following receipt of the decision rendered at Step 1, appeal the decision, in writing, identifying the Article(s) of the Collective Agreement alleged to have been violated and the remedy(ies) sought to the appropriate second level manager. The appropriate second level manager will render a decision in writing within thirty (30) calendar days following receipt of the appeal.

In the event of a suspension or discharge, should the employee wish to file a grievance he must do so at Step 2 of the grievance procedure via the Local Union Vice President or his accredited representative.

Step 3: If the grievance is not settled at Step 2, the Local Union President may progress the grievance within thirty (30) calendar days to Arbitration in accordance with Article 20.

19.02 Policy grievances may be initiated by the Regional Union Vice President or the Local Union President at Step 2 within thirty (30) calendar days following the acknowledgment of the cause of the grievance but in any case not longer than ninety (90) calendar days from the cause of the grievance.

A policy grievance initiated by the Local Union President will be forwarded to the Director, Labour Relations for resolution.

Policy grievances may relate to disputes concerning the meaning, interpretation, or alleged violation of this Agreement but in no case will a policy grievance be issued for the purpose of bypassing the appeal process for an employee who believes he has been unjustly dealt with.

- *19.03 The settlement of a grievance shall not under any circumstances involve retroactive pay beyond a period of one hundred and eighty (180) calendar days prior to the date that such grievance was submitted.
- 19.04 Any grievance not progressed within the prescribed time limits shall be considered settled on the basis of the last decision and shall not be subject to further appeal. Where a decision is not rendered by the appropriate officer of the Company within the prescribed time limits, the grievance may be progressed to the next step in the Grievance Procedure.
- 19.05 When a grievance based on a claim for unpaid wages is not progressed by the Union within the prescribed time limits, it shall be considered as dropped. When the appropriate officer of the Company fails to render a decision with respect to such a claim for unpaid wages within the prescribed time limits, the claim will be paid. The application of this rule shall not constitute an interpretation of the Collective Agreement.
- 19.06 The time limits specified at Step 1 shall be extended for the duration of an absence from work on account of a bona fide illness or the authorized leave of the grieving employee. Any other time limits will be extended for thirty (30) calendar days when mutually agreed.
- 19.07 Upon request from either party, a pre-arbitration committee will meet and identify both parties positions as to all relevant issues and remedies. The parties cannot subsequently change their positions at the arbitration except to the extent they become aware of new fact(s). Each party must advise the other of such new fact(s) as soon as they become aware of the new fact(s).

Article Twenty: Arbitration

*20.01 Any grievance which is not settled to the satisfaction of the Union or the Company may be progressed to arbitration by written notice to the Director, Labour Relations or the Local Union President within thirty (30) calendar days following the receipt of the decision at Step 2 or the due date of such decision if not received. If not so submitted within the time stipulated, the grievance shall be considered settled on the basis of the last decision.

Notwithstanding the above, if after twelve (12) months no action towards scheduling arbitration dates has been requested and/or agreed to by the parties, the grievance will be considered settled on the basis of the decision at Step 2.

Grievance / Arbitration Committee

The Grievance / Arbitration Committee will meet on a quarterly basis to review, resolve and make decisions on grievances submitted to arbitration.

*20.02 Grievances which involve the following items shall not be subject to arbitration:

- A) Any request for a modification of this Agreement
- B) Any matter not covered by this Agreement
- C) Any matter which by terms of this Agreement is exclusively vested in the Company

*20.03 The grievance shall be submitted to a mutually agreed-to single arbitrator except as provided hereafter. The parties shall endeavour to select an arbitrator within fifteen calendar days of submission.

If agreement is not reached, the party requesting arbitration shall then request the Minister of Labour to appoint an arbitrator.

20.04 A party desiring that the dispute be submitted to an Arbitration Board shall so request in the arbitration notice. The other party must agree or disagree within fifteen (15) calendar days and, in accordance with the acceptance or refusal, Article 20.03 or 20.05 will apply.

20.05 Where an Arbitration Board is to be established it shall be established within thirty (30) days from the date of the application for same is filed and shall consist of three (3) members, one of whom shall be selected by the Union and one of whom shall be selected by the Company and a Chairperson selected by the two (2) first-mentioned members of the Board. In the event of the failure of the two (2) members of the Board so selected to agree upon the selection of a Chairperson, the matter may be referred by either member to the Minister of Labour for Canada, who shall choose the Chairperson.

20.06 In the event of any vacancy on the Board occurring by reason of death, incapacity or resignation, or for any other reason, such vacancy shall be filled in the same manner as is provided herein for the establishment of the Board in the first instance.

20.07 The decision of the sole Arbitrator or the Board shall be limited to the dispute or question contained in the statement or statements submitted to it by the party or parties. The decision of the sole Arbitrator or Arbitration Board shall not change, add to, vary or disregard any provisions of this Agreement.

- 20.08 Decision(s) of the sole Arbitrator or the majority of the members of the Arbitration Board which are made under the authority of this arbitration article, shall be final and binding upon the Company, the Union, and all employees concerned. If there is no majority decision, the decision of the Chairperson shall be the decision of the Board.
- 20.09 The Union shall pay the fees and expenses of the member chosen by it; the Company shall pay the fees and expenses of the member chosen by it; the fees and expenses of the Chairperson or sole Arbitrator shall be divided equally between the Company and the Union.
- 20.10 If in the application of the arbitration procedure either the Union or the Company raises any question as to whether a grievance is arbitrable, such question shall be submitted for decision to the Arbitrator or Arbitration Board established as provided herein to deal with the grievance giving rise to the question.
- 20.11 Arbitration hearings for employee-initiated grievances will be held either at Toronto, Vancouver, or Montreal.

Arbitration hearings for policy grievances shall alternate between the Headquarters of the Company and the Union, at the request of either party.

Article Twenty-one: Employee Benefit Plan

*21.01 The cost of the following benefit premiums contained in Article 21 will be shared:

- 75% Company
- 25% Employee
 - Life Insurance
 - Accidental Death & Dismemberment
 - Short Term Disability
 - Long Term Disability
 - Dental
 - Extended Health Care

In the application of this Article, spouse will include any person, who is living with that person for at least a year, if the two persons have publicly represented themselves as husband and wife, or as an analogous relationship, provided the employee has informed the Company of the common law relationship for purposes of benefits under this Agreement.

- The employee premium will be 25% of the total premium cost to a maximum of:

Single	Family
\$32.00	\$64.00

- Deductibles of \$25.00/Single and \$50.00/Family for health and dental.
- Allocation will be done in a tax effective manner.

21.02 Employee Benefit Plans will be provided for employees covered by this Agreement subject to the terms of the policies with the underwriters unless otherwise specifically noted.

21.03 Benefits will be provided through policies with carriers selected by the Company. The Local Union President will be advised in advance of any change in carriers and may request a meeting to discuss such change. A copy of policies shall be provided to the Union upon request.

Should a change in carrier occur, benefit coverage shall be maintained as practicable. In the unlikely event that a benefit coverage is reduced, the parties shall meet to negotiate alternative benefit coverage of equal value.

*21.04 Life Insurance:

A) **Eligibility** – An eligible employee is one who has maintained a continuous employment relationship for at least thirty (30) days as of the first day of a month in which a claim occurs; and has compensated service in the thirty (30) day period preceding a claim.

B) **Coverage** – The Company will provide with no cost to the employee group term life insurance of \$60,000 subject to the terms of the contract with the Underwriter. Additional voluntary life (to a maximum of two times basic salary) may be purchased at the going group rate by interested employees.

C) **Accidental Death and Dismemberment** – In addition to the Group Term Life Insurance, a policy will be provided to a maximum amount of \$60,000 for employees whose death or dismemberment is the result of an accident. This accidental death and dismemberment insurance will be applicable only to participating employees who have compensated service during the 30-day period preceding any claim.

D) **Post Retirement Insurance** – An employee who retires from service will be entitled to a \$5,000 Life Insurance Policy, fully paid by the Company.

E) **Inactive Employees** – Participating employees who are laid off shall be entitled to continue their Life Insurance and Accidental Death and Dismemberment insurance during the recall period by remitting the appropriate premium to the Company for a period not exceeding twenty four (24) months from the last date of regular service.

Conditions and procedures for such direct payment will be set by the Company, in accordance with the terms of the policy with the Underwriter.

Participating employees who are on leave of absence shall be entitled to continue their Life Insurance and Accidental Death and Dismemberment insurance by remitting the appropriate full (100%) premium to the Company for a period not exceeding twelve (12) months from the last date of regular service. Conditions and procedures for such direct payment will be set by the Company, in accordance with the terms of the policy with the Underwriter.

F) **Coverage Termination** – Subject to the terms of the policy with the Insurance Company or other specific provision herein life insurance coverage will cease on the last day worked in the event of:

- i) Termination;
- ii) Strike, lock-out;
- iii) Layoff, leave of absence except as provided in (E) above.

***21.05 Short Term Disability:**

A) **Eligibility**— An eligible employee is one who has maintained a continuous employment relationship for at least thirty (30) days as of the first day of the month in which a claim occurs and has compensated service in the thirty (30) day period preceding a claim.

B) **Waiting Period**— Short Term Disability payments for participating employees will commence from the first day in case of a non-occupational accidental injury, from the first day of sickness if hospitalized, and from the fourth day in other cases of sickness.

Outpatient surgery is to be considered Hospitalization.

All employees with two (2) or more years service at the time of sickness will receive on a one (1) occasion per calendar year basis, payment of sick benefits at current plan levels for the first three (3) days of sickness (non-accident, non-hospitalized) when qualifying for a fourth (4) day claim. All employees with five (5) or more years service will be eligible for such benefits on a two (2) occasion per year basis.

C) **Benefit Levels**— Short Term Disability benefit payments for claims which originate on or after January 1, 2004, 75% of base pay to a maximum benefit of \$700.00.

On January 1, 2005, this maximum benefit will increase to \$750.00.

On January 1, 2006, this maximum benefit will increase to \$800.00.

NOTE: Subject to Human Resources Development Canada (HRDC) approval a claimant in receipt of Employment Insurance Sickness Benefits will have such benefits supplemented to equal his Short Term Disability Benefits entitlement.

If the employee qualifies for Employment Insurance Sickness benefits, it is understood that the combined weekly payments received under this Article and the weekly rate of Employment insurance benefits will not exceed 75% of an employee's weekly base pay.

An employee has no vested rights to payments under the Employment Insurance Sickness Benefits plan approved by the HRDC except to payments during a period of unemployment recognized as such by the HRDC.

Payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance benefits are not reduced or increased by unemployment sickness benefits program.

D) Benefit Period – Employees who are not eligible for Employment Insurance Sickness Benefits are eligible, subject to the terms of the policy with the Underwriter, for Short Term Disability Benefit payments for up to 26 weeks.

Employees who are eligible for Employment Insurance Sickness Benefits will be eligible for Short Term Disability Benefit payments for the first 15 weeks. If, after the first 15 weeks, the employee is still disabled, Employment Insurance Sickness Benefits will replace the Short Term Disability Benefit payments for up to a further 15 weeks.

If the employee is still disabled when Employment Insurance benefits have expired, he will be eligible for up to a further 11 weeks of Short Term Disability payments.

E) Other Coverage— During any period that a Participating employee has been in receipt of Short Term Disability, Employment Insurance Sickness Benefits, or Worker's Compensation, and that employee continues to be totally disabled, that employee's Extended Health Care, Life Insurance, and Dental coverage will continue in force for a maximum period of one (1) year.

An employee who is totally disabled beyond a 12 month period and has maintained employee status will have his Life Insurance maintained in full for as long as he remains totally disabled or until age 65 or earlier date of retirement, at which time the coverage will reduce to \$5,000.

F) Medical Notes – Employer requested medical notes will be paid for by the Company

G) Coverage Termination— Subject to the terms of the policy with the Insurance Company, or other

Specific provisions herein, coverage for Short Term Disability Benefits will cease on the last day worked in the event of:

- i) Termination, suspension;
- ii) Strike, lock-out;
- iii) Layoff, leave of absence other than illness;
- iv) Retirement.

***21.06 Dental and Extended Health Care Plan:**

A) **Eligibility** — An eligible employee is one who has maintained a continuous employment relationship for at least ninety (90) days as of the first day of the month in which a claim occurs and has compensated service in the thirty (30) day period preceding the claim.

B) DENTAL BENEFITS:

i) Employees and their dependants eligible for coverage will be entitled to claim reimbursement for basic and major dental care combined up to a maximum of \$1,500.00 per covered person per calendar year, after a deductible of \$25.00/ single, \$50.00/family per calendar year has been applied.

ii) For **basic** dental services, 100 percent of the actual cost of covered expenses will be reimbursed up to the amounts specified in the relevant provincial Dental Association Fee Guides for the current year and in the case of Alberta, the 1997 Alberta Fee Guide plus an annual inflationary adjustment as calculated on the advice of the Canadian Life and Health Assurance Association (until such time that Alberta implements a new fee guide).

iii) For **major** dental services, 50 percent of the actual costs of covered expenses will be reimbursed up to the amounts specified in the relevant provincial Dental Association Fee Guides for the current year and in the case of Alberta, the 1997 Alberta Fee Guide plus an annual inflationary adjustment as calculated on the advice of the Canadian Life and Health Assurance Association (until such time that Alberta implements a new fee guide).

iv) For **orthodontic** services for dependent children, coverage to include children under twenty one (21), 50 percent of the actual costs of covered expenses will be reimbursed up to the amount specified in the relevant provincial Dental Association Fee Guides for the current year and in the case of Alberta, the 1997 Alberta Fee Guide plus an annual inflationary adjustment as calculated on the advice of the Canadian Life and Health Assurance Association (until such time that Alberta implements a new fee guide). A maximum lifetime coverage of \$2,000.00 per covered individual shall apply.

C) EXTENDED HEALTH CARE BENEFITS:

i) The Company will provide an Extended Health Care Plan for eligible employees in respect of semi-private hospital accommodation and major medical expenses, with no deductible in respect of semi-private coverage, and a \$25.00/single, \$50.00/family per benefit year deductible in respect of major medical expenses. The terms and conditions of this Extended Health Care Plan will be described in the insurance policy. The Extended Health Care Plan will cover all drugs listed in the current Compendium of Pharmaceuticals and Specialties as a narcotic, controlled drug, or requiring a prescription. These will change over time as new drugs are added and some are delisted.

Prescriptions will include a dispensing fee cap of \$8.00.

ii) The Company will provide a Visioncare provision for all eligible employees. Coverage includes one pair of glasses (frames and lenses), including contact lenses, up to a maximum of \$165.00 per person in any 24-month period.

On January 1, 2005, this maximum benefit will increase to \$180.00.

On January 1, 2006, this maximum benefit will increase to \$200.00.

iii) Coverage will include hearing aids to a maximum of \$500.00 per covered employee in any three (3) year period.

D) Inactive Employees— Participating employees who are laid off shall be entitled to continue their Extended Health Care and Dental Benefits for a period not to exceed two (2) years from the last date of regular service, by remitting the appropriate full (100%) premiums to the Company.

Participating employees who are on leave of absence shall be entitled to continue their Extended Health Care and Dental Benefits for a period not to exceed one (1) year from the last date of regular service, by remitting the appropriate premiums to the Company.

E) Coverage Termination— Subject to the terms of the policy with the Insurance Company, or other specific provisions herein, coverage for Extended Health Care Benefits will cease in the event of:

- i) Termination;
- ii) Strike, lock-out;
- iii) Layoff and leave of absence except as provided in (D) above.
- iv) Retirement, with employee option to maintain Extended Health Care Benefit by paying premium.

***21.07 Long Term Disability (LTD)**

This will provide you with continuing income equal to 66.7% of your monthly earnings at the date your disability began to a maximum benefit of \$4,000 a month provided you are still disabled after the expiration of Weekly Indemnity Benefit, Employment Insurance payments and vacation credits (as noted in 21.05 D). If you have unused vacation credits when STD benefits expire, you will receive your vacation pay entitlement before LTD benefits begin. LTD benefits are taxable as regular income and are payable monthly for as long as you remain totally disabled, but not beyond age 65.

Definition of Disability:

During the Initial Assessment Period:

During the 180 day waiting period and the subsequent 24 months, disability is assessed on the basis of the duties you regularly performed for the Company before disability started. You are considered disabled if, because of disease or injury, there is no combination of duties you can perform that regularly took at least 80% of your time at work to complete.

After the Initial Assessment Period:

After the initial assessment period, you are considered disabled if disease or injury prevents you from being gainfully employed.

Gainful employment means work:

1. You are medically able to perform;
2. For which you have at least the minimum qualifications;

3. That provides income of at least 66.7% of your monthly pre-disability earnings; and
4. That exists either in the province or territory where you worked when you became disabled or where you currently live.

To qualify for LTD benefits, you must also be under the care of a qualified physician and you will be required from time to time to provide proof that you continue to be disabled.

Co-ordination With Other Disability Benefits:

Under the LTD Plan, your total income from all sources cannot exceed 66.7% of your regular earnings or \$4,000 a month, whichever is less. If you qualify for Workers' Compensation, Canada/Quebec Pension Plan or any other government or Company-sponsored disability benefits which would bring your total income up to more than 66.7% of your regular earnings, your LTD benefits will be adjusted accordingly. However, this \$4,000 limit does not include C/QPP benefits for dependent children, cost of living increases in CPP/QPP or Workers' Compensation benefits, disability income from a private insurance plan or 50% of earnings from an approved rehabilitation employment program as detailed below.

You will be required to provide proof that you have applied for all other disability benefits for which you may be eligible, along with a statement of the amount of any other benefits you are receiving.

Rehabilitative Employment:

A Rehabilitation Counsellor will assist you in appropriate rehabilitation or retraining programs. If you begin work under an approved rehabilitation Program, your LTD benefits will be reduced by only 50% of your rehabilitative employment earnings, provided your total income does not exceed 100% of your earnings at the date your disability began.

Exclusions Under The LTD Plan:

You are not eligible for LTD benefits if disability results from any of the following causes:

- Intentionally self-inflicted injuries
- War, insurrection, rebellion or participation in a riot or civil commotion
- Accidental injuries sustained while working for another employer
- Alcoholism or drug addiction, except while undergoing an approved rehabilitation program
- Mental or emotional disorder, unless treatment is being provided by a physician certified in psychiatry
- Any period of disability after you fail to participate or co-operate in a rehabilitation program that has been recommended or approved by the carrier
- Any period in which you do not participate or co-operate in a reasonable and customary treatment program for your disability
- The scheduled duration of a period of leave of absence or temporary layoff if disability starts after the leave or layoff begins
- A period of confinement in a prison or similar institute
- The following periods if disability is due to pregnancy:
 - A period of maternity leave
 - The period starting 10 weeks before and ending 6 weeks after delivery
 - A period for which you are paid EI maternity benefits

*21.08 **Maternity/Parental Leave**— It is Company policy to grant leaves of absence without pay to employees for the purposes of maternity and child care subject to the following provisions. The maximum period of leave will be:

i) **Maternity Leave**— seventeen (17) weeks without pay to employees who give birth. Through the Supplemental Employment Benefits Plan (SUB) the Company will pay the difference between the E.I. Maternity Benefit an employee receives and 75% of her basic weekly rate.

Once an employee qualifies for E.I. Maternity Benefits, the SUB plan will also pay 75% of her pre-maternity weekly rate for the two (2) week waiting period required by E.I. The Company provided SUB payments will be made for a maximum of seventeen (17) weeks including the two (2) week waiting period and the fifteen (15) weeks of E.I. Maternity Benefits. SUB payments are not made for any period of Parental Leave

ii) **Parental Leave**— thirty-five (35) weeks without pay to male or female employees who have a newborn or newly-adopted child

Eligible employees on Maternity/Parental Leave will continue to be covered under the benefit plans during the entire period of leave.

21.09 Claims denied by the Insurance Company will not be subject to review except where such claim has been denied on the basis of eligibility in which event a grievance may be filed pursuant to the grievance procedure of this Collective Agreement.

21.10 **Short Term Disability Appeal Procedure:**

If any difference shall arise between the Company and the Union as to whether an employee is entitled to Short Term Disability Benefits and agreement cannot be reached, the matter shall be submitted to medical arbitration in the following way:

The employee shall be examined by a physician appointed for the purpose by the Company and by a physician appointed for the purpose by the Union. If they shall disagree concerning the question, then the question shall be submitted to a third physician, selected by such two (2) physicians. The opinion of the third physician, after examination of the Employee and consultation with the other two (2) physicians, shall decide such question and will be binding upon the Company, the Union and the Employee involved. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

21.11 **Medicare Allowance:**

A monthly allowance shall be applied against payments provided for under any government medical care program in the following manner:

A) Participating employees, if single, an allowance of \$8.00 per month or, if married, an allowance of \$14.00 per month.

Such allowance will first be used to pay any amount the Company is, or might be in the future, required to pay for such medical-surgical benefits under any government medical care program.

If no monthly amount is payable or if the monthly amount payable or to be payable by an employee, or by an employee and the Company, account basic medical-surgical benefits, is less than the allowance, the difference will be paid to the employee on the payroll and if the monthly amount is greater the difference will be deducted from the employee's wages.

Subject to the provisions of the above clauses, the allowance will be made in respect of each participating employee provided he performs compensated service during the month for which the allowance is made.

Notwithstanding the provisions of Clause 21.11, a participating employee who does not perform compensated service in any calendar month but who is in receipt of a weekly indemnity payment under the provisions of the employee Benefit Plan will be treated as follows:

i) If he is resident in a province where a Medicare premium or Medicare tax is payable, he will be eligible for the amount of such premium or tax up to the maximum amount stipulated in Clause 21.11(A), or such lesser amount as is required to pay the premium or tax in such province. For those Provinces where the premiums are paid for by the Company, this will not apply.

ii) If he is resident in a province where no Medicare premium or Medicare tax is required, no payment will be made.

NOTE: "Participating employee" referred to previously has the same meaning as set out in the Employee Benefit Plan.

***21.12 Sick Days**

Employees will be provided with 6 sick days per calendar year. Sick days are paid at 75% of the employee's step rate.

***Article Twenty-two: Health and Safety**

- 22.01 The Company and the Union recognize that as a federally regulated organization, Allstream and the Union will comply with federal Health & Safety legislation under the Canada Labour Code Part II.

The objective of the Allstream Health & Safety program is to meet the requirements of the federal legislation, and to take all reasonable steps to promote a safe workplace. Therefore, all employees are expected to familiarize themselves with the Health & Safety program and the Allstream Health & Safety Policy. Accordingly all employees are encouraged to act in a safe and healthy manner.

The Company will maintain a website detailing current health and safety policies and procedures that will be available to all employees.

- 22.02 The Company will allocate \$5,000 per year and a maximum of five (5) days paid leave of absence to be used by a designated member of the Health & Safety Policy committee or appointed alternate for the purposes of attending a seminar or training/material relating to health and safety.

The National Day of Mourning will be recognized on the Company's Health & Safety website. All employees will also be notified of the National Day of Mourning (April 28).

Employees shall wear the appropriate personal protective equipment and/or protective clothing designed to eliminate or reduce potential injuries from hazards. Protective equipment and protective clothing guidelines will be provided for as per the Company policy posted on the Company intranet.

New and present employees, that are required to wear CSA approved protective footwear, shall be subsidized by the Company up to a maximum of \$100 per calendar year for the purchase of protective footwear, with prior approval of their manager. Employees that are not required to wear protective footwear are not entitled to subsidization. Only CSA approved footwear is eligible for the subsidy.

New and present employees, that are required to wear protective prescription eyewear, shall be subsidized by the Company for one pair of protective prescription eyewear up to a maximum of \$250 every 24 months with prior approval of their manager.

- 22.03 On an annual basis each workplace committee, in association with the Environment Health & Safety organization, will arrange for first aid training to be made available to all employees. Participation in the first aid training is voluntary.
- 22.04 An employee has the right to refuse unsafe work if he has reason to believe the operation of equipment or a particular workplace condition poses a danger to himself or another employee. The employee will notify his manager of the situation immediately.
- 22.05 The Health & Safety Policy Committee will (within 6 months) appoint a working committee to report on situations that require employees to work alone in potentially dangerous situations and provide appropriate recommendations.

Article Twenty-three: Deduction of Union Dues

- 23.01 The Company shall deduct on the second payroll of each month from wages due and payable to each employee coming within the scope of the Collective Agreement monthly union dues as well as general assessments levied from all employees subject to conditions set forth in Articles 23.02 to 23.11.
- *23.02 Employees filling positions of a supervisory or confidential nature not subject to all the rules of this Collective Agreement as may be mutually agreed between the Company and the Union shall be exempted from dues deduction.
- *23.03 Membership in the Union shall be available to any employee eligible under the Union Constitution on payment of the initiation or reinstatement fees uniformly required of all other such applicants. Membership shall be mandatory for all eligible Employees whose employment commences after January 1, 1998. Membership shall not be denied for reason of race, gender, national origin, colour or religion.
- 23.04 Deductions for new employees shall commence on the payroll for the second pay period of the month in which the employee performs compensated service.
- 23.05 If the wages of an employee on the second payroll of a month are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee of the Company in such month. The Company shall not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
- 23.06 Not more than one (1) deduction of dues shall be made from any employee in any month.
- 23.07 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- 23.08 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Company to the Officer or office of the Union as may be mutually agreed, not later than forty (40) calendar days following the pay period in which the deductions are made.
- 23.09 The Company shall not be responsible financially or otherwise, either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amount deducted pursuant to the provisions of this Article shall terminate at the time it remits amount payable to the designated officer or office of the Union.

- 23.10 In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to Article 23.01, all parties shall co-operate fully in the defence of such action. Each party shall bear its own cost of such defence except that if at the request of the Union counsel fees are incurred these shall be borne by the Union. Save aforesaid, the Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by them as a result of any such deduction or deductions from payrolls.
- 23.11 The Company shall provide, on a monthly basis, the Union with a list of employees indicating any changes to their status (i.e. hiring, transfer, promotion, layoff, recall).

Article Twenty-four: Termination of Agreement

24.01 This Agreement as revised shall remain in effect until December 31, 2006 and thereafter, subject to one hundred and twenty (120) days notice in writing from either party to the Agreement of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to August 31, 2006.

Signed at Toronto, Ontario, this 18th day of February 2004.

For the Company:

Michel Feuiltault

Linda Rendulich

Phil Laxdal

Gerry Hermann

Aimé Lord

Ron Rout

Jennifer Roberts

For the Union:

Brian Lee

Ken Burton

Jacques Langlois

Victor Pollock

Bob Lillies

Frank Lachner

Daniel Langlois

Appendix A: Weekly Rate of Pay for Technical Classifications*TECHNICAL CLASSIFICATIONS**

Classification	Maximum Step Progression
Communication Technician 3	12
Communication Technician 2	12
Communication Technician 1	8

Rates:

Step	Jan 1, 2004 (2.5%)	Jan 1, 2005 (2.5%)	Jan 1, 2006 (2.75%)	Progression Factors
1	\$675.46	\$692.35	\$711.39	
2	\$722.88	\$740.95	\$761.33	6 months
3	\$770.34	\$789.60	\$811.31	6 months
4	\$821.17	\$841.70	\$864.84	6 months
5	\$873.63	\$895.47	\$920.09	6 months
6	\$927.93	\$951.13	\$977.29	6 months
7	\$978.61	\$1,003.07	1,030.66	6 months
8	\$1,042.93	\$1,069.00	\$1,098.40	6 months
9	\$1,067.26	\$1,093.94	\$1,124.03	6 months
10	\$1,091.30	\$1,118.58	\$1,149.34	6 months
11	\$1,111.60	\$1,139.39	\$1,170.73	6 months
12	\$1,131.67	\$1,159.96	\$1,191.86	6 months

***Appendix B: Weekly Rates of Pay for Non-Technical Classifications**

NON-TECHNICAL CLASSIFICATIONS

Classification	Maximum Step Progression
Clerk	8
Telephone Operator (Long Distance)	8
Customer Support Clerk (Facsrout)	9
Service Centre Operator	9
Internet Service Representative	10
Local Loop Request (LLR) Clerk	10

Step	Jan 1, 2004 (2.5%)	Jan 1, 2005 (2.5%)	Jan 1, 2006 (2.75%)	Progression Factors
1	\$541.42	\$554.95	\$570.21	
2	\$580.51	\$595.02	\$611.38	6 months
3	\$623.12	\$638.70	\$656.26	6 months
4	\$663.51	\$680.10	\$698.80	6 months
5	\$703.89	\$721.49	\$741.33	6 months
6	\$744.73	\$763.35	\$784.34	6 months
7	\$780.34	\$799.85	\$821.85	6 months
8	\$815.88	\$836.28	\$859.27	6 months
9	\$851.52	\$872.81	\$896.81	6 months
10	\$887.07	\$909.24	\$934.25	6 months
11	\$916.67	\$939.58	\$965.42	6 months

Appendix C: Contracting Out

The Company agrees that in the period to contract termination that on-site provisioning, maintenance and restoral of Company's equipment and systems located on Company's owned or leased premises (buildings) that are within 150 kilometres (straight-line distance) of major Metropolitan areas will not be contracted out. Work at Company owned or leased premises (buildings) outside the 150 km range may be contracted out at the Company's discretion. A list of recognized Major Metropolitan areas are listed at the bottom of this Appendix.

The Company also agrees that all other work on the above premises normally performed by employees represented by Local 2000 CAW Canada will not be contracted out except:

1. When technical skills are not available from within the Company; or
2. Where sufficient employees qualified to perform this work are not available from active employees or laid off employees on recall list as provided for in Article 5 in the promotion district where the work is required to be completed; or
3. Where essential equipment or facilities are not available at the time and place required; or
4. Where the nature or volume of the work is such that it does not justify the capital or operating expenditures involved; or
5. Where the required time of completion cannot be met with the skills, personnel or equipment available at the location of the work; or
6. Where the nature or volume of the work is such that undesirable fluctuations in the employment will automatically result.

These restrictions to contracting out will not apply in emergencies nor to warranty work.

The Company will advise the Local Union President, in writing as far in advance as practicable of its intention to contract out work at the Company's owned and leased premises. Such advice will contain a description of the work to be contracted out and the anticipated duration of such work. If the Local Union President requests a meeting to discuss matters relating to the contracting out of work specified in the above notice the appropriate Company Officer will promptly meet with him for that purpose.

Should the Local Union President request information respecting contracting out which has not been covered by notice of intent it will be supplied to him promptly. If a meeting to discuss such contracting out is requested it will be arranged at a mutually acceptable time and place.

Newfoundland and Labrador

In the province of Newfoundland and Labrador, in the period to contract termination, the Company may contract out work to meet the demands of the business.

Remote Areas

The following cities are defined as Major Metropolitan areas:

Aldergrove, BC	Hamilton, ON
Burnaby, BC	Kitchener, ON
Greater Vancouver, BC	London, ON
Kamloops, BC	Markham, ON
Victoria, BC	Ottawa, ON
Calgary, AB	Sudbury, ON
Edmonton, AB	Greater Montreal, QC
Winnipeg, MB	Quebec City, QC
Brampton, ON	St. Laurent, QC
Etobicoke, ON	Halifax, NS
Greater Toronto, ON	Moncton, NB

In the period to contract termination the Company will endeavour to only consider contracting out in remote areas where it is economically feasible provided that said areas are unmanned or where a natural vacancy occurs through attrition. Where the Company is considering contracting out in remote areas that are currently manned, the Company and the Union will meet to discuss the impact and mutually agreed on how to proceed.

Any layoff notices issued as a result of the above noted policy will be considered a T.O.O. layoff and all applicable articles of the Collective Agreement and Job Security Agreement that deal with T.O.O. will apply:

- The Company agrees to offer Early Retirement Separation Allowance/Voluntary Severance Allowance packages to affected employees.
- If there are vacancies elsewhere in the Company, these employees will have the option of bidding on the vacancies.
- The Company will, upon the employee's request and with Union agreement, rebalance his position to a major metropolitan area within his District.
- An employee affected by such a layoff will have the option, if unable to maintain a job within his JSET, of accepting the layoff with full JSA benefits and recall rights.

These layoff provisions will also apply to any employees within Newfoundland and Labrador that may be affected by contracting out in their area.

Appendix D: Contracting In

In the period to contract termination, the Company has the ability to assign to bargaining unit staff, at its discretion on a case-by-case basis, the installation and/or maintenance of customer-owned and third party owned physical equipment at customer premises.

The Union commits it will not make any claims of jurisdiction over this work.

This agreement does not preclude the Company's ability to use contractors for any or part of the above-noted work or its ability to use contractors for bargaining unit work as permitted by the current Collective Agreement and Appendix C.

Appendix E: Regional Technicians Allowance

A regional technician allowance will be paid to all employees at Step 10 or greater in the Technical Classifications listed in Article 3 of the Collective Agreement.

This allowance will not form part of the employee's straight time rate and will be paid only for time actually worked, for all vacation days (including lump sum vacation pay) and on General Holidays. This allowance will not be paid for time not worked.

Employees at Step 10 or greater headquartered at the following locations will receive the applicable R.T.A. in accordance with the following schedule:

<u>Western</u>	<u>Central</u>	<u>Eastern</u>
Tier 1: Rate: \$1.10		
Greater Vancouver Regional District	Metropolitan Toronto City of Mississauga Markham	Montreal Urban Community
Tier 2: Rate: \$0.80		
All Others	All Others	All Others

Appendix F: Emergency Snow/Storm Conditions

The following will constitute the policy with respect to employees who, because of severe snow or storm conditions, either report late for work or are unable to report at all.

All employees are expected to make every effort to report for work on time notwithstanding snow or storm conditions. However, employees who, due to such conditions, arrive late for their assignments but report prior to midpoint of their tour of duty, will be paid for the day provided such late arrival is directly attributable to the aforementioned severe snow or storm conditions. Employees who report after the midpoints of their tour of duty will be paid one-half day.

With respect to employees who are unable to report for work due to the snow or storm conditions, or who report after the midpoint of their tour of duty it is agreed that notwithstanding the provisions of the Collective Agreement, such employees may be given the opportunity to work additional hours at straight time rates in order to make up part or all of such lost time. It is understood that such arrangements will only apply insofar as they do not conflict with the provisions of the Canada Labour Code.

This policy will only apply when the proper municipal authorities have requested the public to leave their motor vehicles at home and local public transportation services are not operating due to snowstorms.

Appendix G: Driver's License

In the event that an employee who requires a valid driver's license to carry out normal job duties loses his/her license for a period of time, the Company will attempt to provide reasonable accommodation to such an employee. If no reasonable accommodation is possible, the employee will be placed on leave of absence without pay.

The affected employee has three (3) principal responsibilities throughout:

1. To advise his manager of any Highway Traffic Act violation where operating a Company vehicle and advise his manager of a potential loss of license and the time frame thereof,
2. To provide sufficient documentation of the loss, and
3. To advise the Company at least 30 days prior to the estimated date of return of license.

The specifics of each case will be discussed with the Regional Union Vice President as soon as possible.

Appendix H: Early Retirement

Notwithstanding the provisions of Section 10.02 (A)(ii) of the Pension Plan, the Company will not withhold consent for early retirement for members aged 55 or more.

Any misunderstanding concerning the applications or Interpretation of the present Letter of Understanding may be submitted as a grievance under the grievance and arbitration procedures of the Collective Agreement.

The Board of Arbitration or Arbitrator will have the necessary jurisdiction to decide over such a grievance and make the necessary orders to ensure its appropriate applications.

Appendix I: Pension Plan

WHEREAS the Company and Local 2000 CAW Canada have agreed on pension indexing formula as per enclosed Indexation Rules.

Indexation Rules:

1. Coverage

- Retirees
- Surviving spouses
- Spouses of employees who die in service
- Disabled pensioners
- Matured deferreds

2. When increases occur

Starting January 1, 1992, provided the employees have reached age 65 and have been retired at least 5 years; but no more than 10 years deferral

3. Portion of pension covered

Whole pensions (includes portion due to Pension Enhancement Option)

4. Increase

50% of CPI over 12 months ending previous September 30, up to maximum CPI increase of 6%

5. Retroactivity

None

6. Required member contribution

No contribution

Inflation Protection:

The Company agrees to the introduction of a program of inflation protection covering both current and future retirees from the Pension Plan.

The details of the new benefit will be developed jointly by Union and Management representatives during 1990-91 with an effective implementation date of January 1, 1992.

The proposed improvements to the Plan will follow the amendment principles as set out in the memorandum of settlement between CP Rail and the Associated Non-Operating Railway Unions with any further modifications to be agreed to or negotiated by the Parties prior to 1992.

PENSION IMPROVEMENTS:

A) Include a period of layoff of up to a maximum of twelve (12) consecutive calendar months, in the Pensionable service of an employee who had completed not less than ten (10) years of Continuous Service at the date of layoff. The employee must continue to

contribute to the Plan on the basis of his basic rate of pay in effect on the first day of layoff.

B) For all members who are single at the date of Pension commencement, the provision as Normal Form, a ten-year term certain guaranteed period with no reduction of monthly pension following the member's death.

C) For members whose death occurs prior to eligibility for early retirement, the provision of a minimum pre-retirement death benefit equal to commuted value of complete vested benefit.

Appendix J: Job Security Relocation Benefits

The following are the Relocation Benefits contained in Article 7 of the Job Security Agreement

ELIGIBILITY

- 7.1 To be eligible for relocation expenses as provided for in this Agreement, an employee
- a) Must have been laid off or displaced and in the exercise of seniority rights is required to relocate; or
 - b) Must be affected by a notice which has been issued under Article 8 of this Agreement and chooses to relocate as a result of receiving an appointment on a bulletined regular vacancy and such relocation takes place in advance of the effective date of the Article 8, provided this will not result in additional moves being made.
- 7.2 In addition to fulfilling at least one of the conditions set forth above, the employee:
- a) Must have two years' cumulative compensated service as defined in Clause 5 of Appendix "B"; and
 - b) Must be a householder; that is, one who owns or occupies unfurnished living accommodation. This requirement does not apply to Articles 7.5, 7.6, 7.7 and 7.10; and
 - c) Must establish that there is no regular, daily public commuter transportation by which it is practical for him to commute between his residence and the new work location; and
 - d) Must be eligible for relocation benefits as set out in the respective Collective Agreement and appendices thereto.

RELOCATION BENEFITS:

- 7.3 Payment of door-to-door moving expenses for the eligible employee's household goods and his automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Employer.
- 7.4 An allowance of up to \$550 for incidental expenses actually incurred as a result of relocation.
- 7.5 Reasonable transportation expenses from his former location to his new location by rail, or if authorized, by bus or employee-owned automobile, and up to \$135 for an employee without dependants and that an additional amount of \$53 will be paid for each dependant for meals and temporary living accommodation. Receipts will be required for rail or bus transportation to the new location.
- 7.6 If authorized by the Employer, an employee may drive his automobile to his new location at the allowance specified in the relevant current Collective Agreement.
- 7.7 In order to seek accommodation in his new location and/or to move to his new location, an employee will be allowed a continuous period of leave up to one week (seven (7) consecutive calendar days). Payment for such leave shall not exceed one week's pay at

his regular weekly rate. For other than weekly rated employees, five (5) basic days' or forty (40) hours' straight-time pay shall constitute one week's pay.

7.8 a) Except as otherwise provided in Article 7.8 (c), reimbursement for up to \$11,000 for loss sustained on the sale of relocating employee's private home which he occupied as a year-round residence. Loss sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location and any mortgage penalties, and the amount established as the selling price in the deed of sale.

b) The procedure to be followed in respect of determining the loss, if any, on the sale of a home shall be as described in Appendix "C" to this Agreement.

c) Notwithstanding the provisions of Article 7.8 a):

i) Should a change take place involving relocation of employees whereby the number of homes being listed for sale by such employees represent fifteen (15) percent or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full loss on such homes, which loss shall be determined by the procedures described in Appendix "C" to this Agreement. The number of employee's homes referred to above shall, for the purpose of establishing the fifteen (15) percent, include the homes of all employees that are being offered for sale as a result of and at the time of change; or

ii) Should a change occur involving relocation of employees covered by this Agreement as well as employees of the Employer covered by other Collective Agreements, if any, the maximum amount of \$11,000 specified in paragraph (a) of this Article 7.8 shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other Collective Agreement.

d) An eligible employee who desires to sell his house and receive any benefit to which he may be entitled under Article 7.8 must advise the Employer's officer concerned accordingly within twelve (12) months of the date the initial change takes place. No employee shall be entitled to any claim under Article 7.8 if the house is not listed for sale within sixty (60) days of the date of the final determination of value and thereafter the house continues to be listed for sale. Any claim for reimbursement under Article 7.8 must be made within twelve (12) months of the final determination of value.

Note: Notwithstanding other provisions of Article 7.8, special cases of loss on sale of homes may be submitted to the Administrative Committee for adjudication, but such special cases shall not be subject to arbitration.

7.9 Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Employer and shall not, in any event, exceed a total cost of \$4,500. Receipts shall be required.

7.10 If an employee who is eligible for moving expenses does not wish to move his household to his new location, he may opt for a monthly allowance of \$150 which will be payable for a maximum of twelve (12) months from the date of transfer to his new location.

Should an employee elect to transfer to other locations during such twelve (12) month period following the date of transfer, he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid twelve (12) month limitation.

An employee who elects to move his household effects to a new location during the twelve (12) month period following the date of his initial transfer will be eligible for relocation expenses under this Article only for one such move and payment of the monthly allowance referred to above shall terminate as of the date of his relocation.

- 7.11 a) Alternatively to Article 7.8, the cost of terminating an unexpired lease and legal costs connected therewith up to a value of three (3) months' rent where the relocating employee was renting a dwelling, will be paid. Should the law require payment of more than three (3) months' rent in order to terminate a lease, such additional amount will be paid providing the employee first secures the Employer's approval to pay in excess of three (3) months' rent.
- b) Where a lease was entered into following the notice of the change without prior approval of the Employer, no benefit will be provided.

***LOU: Company-Union Relations**

In the spirit of fostering a positive labour relations environment and for the purposes of maintaining effective communications, the Company and the Union Local Executive will:

- Hold quarterly meetings to discuss current labour relations issues and grievances at the Step 3 level with the goal of achieving mutually agreeable resolutions. These meetings will also be used to discuss improvements relating to productivity, customer satisfaction, and other corporate initiatives. Management representatives will include, but are not restricted to operational Vice-Presidents and Directors with bargaining unit staff, Human Resources, and Labour Relations; and
- Meet annually to share information relating to the strategic objectives of the Company. Management representatives will include, but are not restricted to selected members of the senior executive and senior management teams.

***LOU: Job Security Agreement**

The Job Security Agreement is amended as follows:

- 1) New employees entering the bargaining unit following April 4, 1995 will not be eligible to participate in the benefits contained in the Job Security Agreement.
- 2) New employees entering the bargaining unit following April 4, 1995 will be entitled to two (2) weeks severance per completed years of service. Employees with less than one (1) year will not be entitled to severance pay.
- 3) Effective July 1, 1996 cumulative compensated service will be based on 0.5 years of service for each year of service.
- 4) Employees who entered the bargaining unit effective January 1, 1997 as a result of the "Scope Agreement" will be eligible to receive the same cumulative compensated service as per the Job Security Agreement and the Collective Agreement
- 5) The \$15,000 Company supplement referred to in the Job Security Agreement, previously offered to technical employees will now be offered to all unionized employees.

***LOU: Special Terms and Conditions of Employees who Entered the Bargaining Unit Effective January 1, 1997 and January 1, 2004 as a Result of the Scope Agreement**

1. Staff Reduction –

Notwithstanding the terms of Article 9 (Staff Reduction) of the Collective Agreement, Company Service may be invoked by an employee for the Purpose of job retention within the classification.

LOU: Paid Union Leave of Absence for Regional Union Vice Presidents

It is understood and agreed that each Regional Union Vice President will be eligible for five (5) paid days of leave of absence for Union business per year.

LOU: Premium Pay for Tram Maintenance Above 65 Ft

It is understood and agreed that employees who are required by the Company to perform Tram Maintenance above sixty-five (65) feet will be paid a premium of one (1) hour of their basic pro-rata rate for each shift, in addition to their normal rate of pay.

LOU: Salary and Expense for the Local Union President, Local 2000 CAW

It is understood and agreed that the current salary and expense arrangement for the Local Union President will be continued and renewed on an annual basis.

***LOU: Social Justice Fund**

The Company agrees to pay into a special fund three cents (\$0.03) per hour per employee, excluding overtime, for the purpose of contributing to the CAW - Social Justice Fund. The Fund is a registered non-profit charity which contributes to Canadian and international non-partisan, non-governmental relief and development organizations. Such monies are to be paid on a quarterly basis into the fund established by its Board of Directors and sent by the Company to the following address:

CAW Social Justice Fund
205 Placer Court
Willowdale, Ontario
M2H 3H9

LOU: Paid Education Leave

The Company agrees to pay into a special fund two cents (\$0.02) per hour per employee, excluding overtime, for the purpose of providing paid education leave. Such leave will be for upgrading the employee skills in all aspects of trade union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, CAW, effective from date of ratification, and sent by the Company to the following address:

CAW PEL Program
205 Placer Court
Willowdale, Ontario
M2H 3H9

The Company further agrees that members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days class time, plus travel time where necessary, said leave of absence to be intermittent over a twelve (12) month period from the first day of leave. Employees on said leave of absence will continue to accrue seniority and benefits during such leave.

***LOU: Group RRSP**

It is understood and agreed that all employees with six (6) or more months of service will be eligible to participate in the Company's Group RRSP plan on a voluntary basis.

The Company has sole discretion as to the availability and structure of any such plan. The Company will notify the Union in advance of any such changes.

***LOU: Averaging Period**

It is understood and agreed that the Company will amend the Allstream Contributory Pension Plan dated January 1, 1996 as follows. The averaging period of pensionable earnings shall be the better of the sixty (60) months, not necessarily consecutive, of the one hundred and twenty (120) consecutive months prior to the member's date of the determination or the best five (5) consecutive calendar years of continuous service.

LOU: Modified Hours of Work for any Employee who has a Newborn or Newly-adopted Child

It is understood and agreed that in accordance with Article 7 of the Collective Agreement any employee who has a newborn child or a newly adopted child will be given the option of working less than forty (40) hours of work per week, subject to mutual agreement between the employee and his manager.

***LOU: Pension Formula Improvement**

It is understood and agreed that the Company will amend the Allstream Contributory Pension Plan dated January 1, 2001 as follows. The pension formula improved by 0.1% to 1.4% of the member's highest plan earnings up to the average government base, plus 2.0% of the member's highest plan earnings in excess of the average government base for all plan members actively employed on January 1, 2001

Effective January 1, 2004, for service on a going-forward basis only, the pension formula has been improved by 0.1% to 1.5% of the member's highest plan earnings up to the average government base for all plan members actively employed on January 1, 2004.

***LOU: NNIT**

During this round of negotiations the Union and the Company had several discussions relating to contracting out and contracting in work.

It was recognized that the NNIT (National Network Installation Team) as negotiated during the last round of negotiations no longer exists as a department as these workers were reorganized under different departments and managers across the country. The main function of this group was to install and dismantle telecommunications equipment.

Notwithstanding the fact that there have been minimal capital expenditures over the last few years, the Company agrees that the skills and experience of these employees are valuable to the Company and all efforts should be made to maintain the current number of employees performing these jobs in the event of future expansion.

The current practice of exploring every option of these employees performing such work before contracting out shall continue.

***LOU: Managed Network Services "MNS"**

The parties agree, for the purposes of clarifying the scope of the bargaining certificate that MNS as defined below fall within the exceptions defined in Article 3.02 of the collective agreement. The parties further agree by the present Letter of Understanding to resolve any and all matter of Managed Network Service related to both the scope of the collective bargaining unit and the collective agreement application in the following manner:

With the understanding that AT&T Canada Corporation wants to enter into a new venture called *Managed Network Services* ("MNS") the selling, designing, service management and post sale care of customer enterprise networks. It is understood to provide these services the new MNS venture will be staffed by non-bargaining unit employees. To this end it will be necessary for these employees to have enterprise-wide views of these customer networks. It will also be necessary for MNS employees and bargaining unit employees working respectively in their domains, to work cooperatively to resolve customer problems. In certain instances, it is understood that MNS will need to access the logical layer (defined as, but not limited to, feature functionality, operating system and diagnostic capabilities of the common element) to provide MNS to these customers. If the problem has been isolated to the core network, responsibility will transfer to bargaining unit employees for complete resolution. The MNS employee will continue to status the customer and receive status from the bargaining unit employees.

For the purposes of this Letter of Understanding these definitions apply:

Customer Enterprise Network: Independent of physical location, all customer-premise equipment, equipment dedicated to a single customer and/or customer owned equipment that is used for or is part of the logical component of the network, up to but excluding the communication links and any devices related to providing such links, will be considered part of the customer enterprise network. The Logical component is further defined as that relating to customer applications, routing, LAN, and similar functions. It is understood that MNS employees will handle the logical component and all Customer Enterprise Network functions defined above.

Core Network: the nodal elements and transport links that provide common network infrastructure for providing service to multiple customers. The equipment is located in AT&T Canada central offices.

Access Facilities: is defined as transport technology from AT&T Canada closest point of presence to a defined customer or telco demarc which includes the DSU or any similar termination equipment.

In general, **core** network elements and transport facilities, and access facilities provided for the common and pooled use of AT&T Canada Corporation customers shall be provisioned, monitored and maintained by bargaining unit employees, as is common practice today.

In no circumstances, other than emergencies, will MNS be used to replace the normal functions of bargaining unit members.

Should MNS decide to abandon any part of the monitoring and level 1 fault isolation, this work will revert back to the bargaining unit. Should there be occasions where the MNS

organization is temporarily unable to handle the volume of router work we will utilize experienced bargaining unit members to temporarily assist in the performance of specific customer network monitoring and fault management. This does not preclude the use of contractors or consultants for the performance of specific work for a temporary time period.

Bargaining members will continue to provide monitoring, provisioning, maintenance and authentication capabilities for the PDA equipment and any equipment that should replace this in the future. This includes the CISCO dial access and the associated routers and facilities. The core router will be shared with the Netcom organization until the World Net network is fully transitioned to its own router. The 3Com dial ports will be transitioned to the Netcom organization. The bargaining members will retain the physical repair function for those elements that reside within AT&T central offices.

With respect to the AT&T Canada OSS network, the overall management rests with the MNS organization. We have agreed to work jointly and concurrently in the monitoring and surveillance of these specific AT&T Canada enterprise networks while respecting each others roles and responsibilities. In principle, the technicians will assist with the fault isolations and work with the MNS organization to resolve the problem. MNS has responsibility for the routers and Communication Technicians will focus on the core network and access facilities.

For the purposes of Article 8 in the Memorandum of Agreement (re: Metronet Merger) if any reductions in the Data SMC occur they will be treated as merger related reductions.

Signed in agreement in Toronto on November 18, 1999

***LOU: Clarification of MNS Agreement**

This document does not replace, modify, or supersede the existing MNS LOU. It is intended only to clarify various aspects of its interpretation.

MNS is a service whereby customers may outsource their technical functions and business processes to Allstream. These services are provided by non-bargaining unit employees of Allstream. Non-bargaining unit employees referred to in this document are those who provide MNS.

In effect, the customer has assigned Allstream as their agent to act on their behalf in providing business process services for their network such as, but not limited to, Incident Management, Problem Management, Change Management, Configuration Management, Service Management, Capacity Management, Release Management, and Business Continuity Management.

The technical functions performed by the non-bargaining unit employees include, but are not limited to, Service (Help) Desk, architecture, detailed design, performance, utilization, throughput, monitoring of dedicated customer network elements. Beyond the physical management of these elements, MNS provides layer 2 through 7 (OSI model) technical support for the data/voice that traverses the customer network.

Non-bargaining unit employees performing these services may require enterprise-wide views of the customer networks and may utilize tools developed and/or procured by Allstream for all aspects of its MNS business.

Some further points of clarification to the existing LOU:

- Access to core network elements and equipment, that is, equipment not dedicated to a single customer, is the responsibility of the bargaining unit.
- Non-bargaining unit employee responsibilities begin at the Router/FRAD or similar device and face in towards the customer LAN. The bargaining unit has the responsibility from the physical connection to the external CSU/DSU that connects the Router/FRAD or similar device back into the core network. More recent CSU/DSU technologies (i.e. Visual CSU/DSU) provide capabilities that may be accessed directly by customers or their agent. The security and integrity of the customer router remains the responsibility of the customer or their agent. In some instances the CSU/DSU may be built into the Router, requiring the bargaining unit to work cooperatively with non-bargaining unit employees in order to resolve issues with communication link.
- Non-bargaining unit employees acting as agents on behalf of the customer may answer calls and open tickets for non-managed services and route to the appropriate SMC. Fault diagnosis or resolution for such services are the responsibility of the bargaining unit.
- MPLS technology dedicated to a single managed customer is the responsibility of non-bargaining unit employees. This includes management of the QoS (Quality of Service) provided by the router to the customer. Core MPLS technology and related switching equipment is the responsibility of the bargaining unit.
- Provisioning, maintenance, monitoring, and restoral of the VPOP network is considered to be a bargaining unit responsibility.

***LOU: Bargaining Unit Benefit Plan Council**

Structure of Bargaining Unit(s) Benefit Plan Council

Mandate

Bring forward for discussion concerns expressed by the employees in regards to Health, Dental, Disability, Life Insurance and Accidental Death & Dismemberment Plans.
 Develop an increased level of understanding of plan design and administration.
 Build a direct communication link between bargaining unit representatives and external insurance carriers.
 Develop a better corporate understanding of employee concerns.
 Promote awareness and understanding of the plans among plan members.
 Review once per year the financial and actuarial aspects of the plans.
 Review the performance of the carriers.
 Authority to recommend change of carrier and/or benefit administrator.

<u>Corporate Sponsor</u>	Executive Vice President, Human Resources
<u>Council Members</u>	(8) Members
Chairperson	Executive Vice President, Human Resources
Company Representatives	Sr. Manager HRMS Sr. Manager Labour Relations
Bargaining Unit Representatives	(3) Appointed by the C.A.W. (1) Appointed by Steel Workers
External Carrier(s)	(1) Each Carrier

** The Company reserves the right to amend its representatives from time to time

Meetings

- Four quarterly meetings will be held each year.
- Meeting times and location will be determined by the council.
- At least one meeting annually will be at the offices of the External Carrier.
- Formal agendas will be set in advance and minutes of the meeting will be recorded.
- Carriers would present:
 - reports of claims processed and denied including reasons for denial
 - average claims processing time
 - review of exceptional cases
 - details of plan coverage
- Agenda items will be tabled by either Company or bargaining unit representatives.
- Claims issues could be tabled by HR or Union Representatives
- A quorum will consist of 4 members, at least half of which are employer representatives

Costs

- The Company agrees to cover the reasonable costs associated with CAW members participating in these meetings. Associated costs will include time and related expenses for CAW members.

***LOU: ESOP**

The Company will extend the Employee Share Ownership Plan (ESOP) to Bargaining Unit employees.

The Company has sole discretion as to the availability and structure of any such plan. The Company will notify the Union in advance of any such changes to the plan.

***LOU: Variable Pay and the Employee Development and Review Program**

As Allstream operates in a competitive and dynamic industry, it is essential that all employees contribute to our overall success. This success is measured through our ability to meet and exceed our financial targets and Customer Satisfaction measures. In order to ensure that the combined efforts of all employees achieve the desired outcome, the Company is implementing a new program that measures and rewards the contribution of individuals in relation to their accountability.

The program will measure individual contribution outcomes based on performance and leadership attributes that impact the overall success of the Company. The process requires:

- Establishment of Accountability
- Employee Performance & Development Review process
- Application of Variable Pay program

Employees will work with their manager to establish their accountability statement and the related outcome measurements. These statements help define how the bargaining unit employee contributes to the success of the Company. Individual accountabilities will vary across different functional groups.

To support the competitive success of Allstream, eight leadership attributes under the category of "leading change" have been identified as critical behaviours necessary to support and achieve the Company's vision and values. These values are:

- Having a passion for customers
- Being agile and having a "can-do" spirit
- Acting quickly and decisively
- Constantly learning
- Being competitive
- Working together
- Challenging the status quo
- Doing the right thing

The Company will provide training on the EPDR process to all employees.

All Bargaining Unit employees will be required to participate in the Corporate Employee Performance and Development Review Program and the Variable Pay Program, which will be administered in the following manner:

- The variable pay will be determined by Corporate and Personal performance.
- For the term of this contract, the variable pay component will represent (4%) of base pay
- The Variable Pay program will be applied annually to all employees in accordance with the Corporate policy
- The Personal performance component will represent 25% of the total variable pay payout (for 2004)
- The Corporate performance component will represent 75% of total variable pay payout (for 2004)
- The Personal component will not be paid to those employees who have received an unsatisfactory review. All others will receive the Personal component.

Following the EPDR process, employee ratings will be discussed with the employee and presented at a Review Board. The Review Board ensures consistent and equitable ratings.

An appeal process is available for those employees who, after discussion with their manager, disagree with the rating and wish to have it reviewed. The appeal process consists of:

- Review Board
- Finalization with the group Vice-President
- External appeal through a mutually agreed expedited arbitration process

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