CANADIAN RAILWAY OFFICE OF ARBITRATION

CASE NO. 2448

Heard in Montreal, Tuesday, 8 February 1994

concerning

QUEBEC NORTH SHORE & LABRADOR RAILWAY

and

UNITED TRANSPORTATION UNION

DISPUTE:

Letter of Understanding: Accommodation improvements - Dormitories.

JOINT STATEMENT OF ISSUE:

The Union filed a grievance claiming that the sum of $500,000.00 was not invested at the camp at Mai, nor was an amount of up to $200,000.00 invested at the camp at Labrador City, in 1992, in accordance with Letter of Understanding No. 32.

The Railway advised the Union that because of the financial situation and budgetary restrictions, it was impossible to invest the projected amounts.

FOR THE UNION:	FOR THE COMPANY:
(SGD.) B. ARSENAULT	(SGD.) A. BELLIVEAU
GENERAL CHAIRMAN	DIRECTOR, LABOUR RELATIONS

There appeared on behalf of the Company:

R. Monette	– Counsel, Montreal
A. Belliveau	– Director, Labour Relations, Sept-Iles
R. Lourde	– Superintendent, Transportation, Sept-Iles

And on behalf of the Union:

R. Cleary	– Counsel, Montreal
B. Arsenault	– General Chairman, Sept-Iles

AWARD OF THE ARBITRATOR

The Union claims that the Railway has violated the provisions of Letter of Understanding No. 32, which read as follows:

> As discussed during negotiations, the Railway shall improve accommodations (dormitories) used by UTU employees.
>
> An amount of $500,000 will be invested at MAI intermediate terminal during 1991-1992. Also, an amount up to $200,000 will be spent for Labrador City intermediate terminal in 1992.

Firstly, it appears to the Arbitrator that the intention of the letter of understanding is to ensure a minimum of "improvement" to the conditions of the employees' dormitories. To improve means to produce something of better quality. I must, therefore, reject the claim of counsel for the Company to the effect that the funds spend to repair or maintain the lodgings, or the camps in general, form part of the obligation of the Employer. I am equally of the opinion that the monies spent to provide the services of a concièrge cannot in any way make up part of monies allocated for the purposes of the letter of understanding.

In light of the foregoing, the Arbitrator must come to the conclusion that the Railway has invested nothing in fulfillment of its contractual obligation. Even if the inaction of the employer were motivated by financial constraints, the obligation expressed in the letter of understanding remains unconditional.

It seems to the Arbitrator, however, that it is preferable, concerning the remedial aspect, to limit it, for the moment, to a declaration and a simple order subject to a reasonable time limit. This would allow the parties to discuss the best manner of identifying and accomplishing the desired modifications to the lodgings, while also satisfying Letter of Understanding No. 32. They can always return before the Arbitrator if they are unable to reach an agreement.

For these reasons the grievance is allowed. The Arbitrator declares that the Company has violated completely the terms of Letter of Understanding No. 32. The Arbitrator orders the Company to make the improvements within a reasonable time period, and within at least six months, to the lodgings at the camp at Mai to a value of $500,000.00 (adjusted to 1992 dollars) and, within the same time period, to the lodgings at the camp at Labrador City to a value of $200,000.00 (adjusted to 1992 dollars). The Arbitrator remains seized of the dispute if the parties cannot agree concerning the interpretation or implementation of this award.

11 February 1994

(sgd.) MICHEL G. PICHER
ARBITRATOR