

**IN THE MATTER OF AN
INTEREST ARBITRATION**

BETWEEN:

Canadian Merchant Service Guild

Union

-and-

Treasury Board of Canada Ships' Officers (SO) Group

Employer

UNION'S BRIEF

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October 24, 2023

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INTRODUCTION

HISTORY OF BARGAINING

The Canadian Merchant Service Guild (hereinafter referred to as the “Guild”) was established by an Act of Parliament in 1919 and updated in 1981. The Guild represents the majority of Ships’ Officers in the Canadian Maritime Industry and has represented the Ships’ Officers employed by the Federal Government since 1969. The majority of the Ships’ Officers in the bargaining unit are employed by the Canadian Coast Guard, while the remainder serve on certain vessels of the Department of National Defence (DND).

The Collective Agreement between the Guild and the Treasury Board for the Ships’ Officers group expired on March 31, 2018. Notice to bargain was given by the Guild in December 2020.

The parties met on July 14, 15 and 16, 2021 to exchange proposals and to conduct the first three (3) days of collective bargaining. The parties continued bargaining on October 4 and 5, 2021 and, on November 23, 2021, the Guild requested the assistance of a mediator. The parties subsequently agreed to three (3) days of mediation on March 1 – 3, 2022 but were unable to resolve the remaining issues. On May 3, 2022, the Guild filed its Form 8 Request for Arbitration.

See **TAB 1** Form 8 Request for Arbitration

To date, the parties have reached agreement and signed off the following provisions:

- Administrative changes to update references to the FPSLREB;
- Administrative changes to update references to the *Directive on Terms and Conditions of Employment*;
- Articles 23.20 Volunteer Leave and 23.21 Personal Leave – housekeeping amendments;
- Article 26 – Safety and Health housekeeping amendments; and
- Article 43.01 – Duration of April 1, 2018 until March 31, 2026 agreed upon.

See **TAB 2** Sign-off’s

The Guild requests that the above-noted sign-offs be incorporated as part of the Board's Award.

The Employer's Form 9 Response is attached at **TAB 3**.

In addition, the Guild's Form 10 Response to the Employer's proposals indicates its agreement with the Employer's proposed amendments to:

- Article 2.01 (interpretation and definitions)
- Article 3.03 (gender neutral amendments)
- Article 19.06 (earning of leave credits in a month for which leave credits have already been credited under another collective agreement)
- Appendix G Extra Responsibility Allowance, item #3 (the Guild has an outstanding proposal regarding item #1 and the amount of the Allowance)

On September 19, 2023, the Guild wrote to the Employer advising that it was narrowing its proposals and provided an amended list.

See TAB 4 Letter to L. Williams dated September 19, 2023

On October 16, 2023, the Employer wrote to the Guild clarifying some of its proposals and providing an amended proposal with respect to its new MOU regarding implementation.

See TAB 5 Letter to S. Lamb dated October 16, 2023

On October 24, 2023, the Guild wrote to the Employer advising that it was withdrawing one further proposal, with respect to Article 20.11 and had an additional amendment that would reduce what was being requested with respect to Appendix G.

See TAB 6 Letter to L. Williams dated October 24, 2023

ISSUES IN DISPUTE

Guild Proposals

As per the Guild's letter dated September 19, 2023, the Union's proposals are as follows:

Article	Guild Proposal
20.02 Accumulation of Vacation Leave credits	Improvements to vacation leave
21.01 Designated holidays	Add Truth and Reconciliation Day
23.02 Bereavement leave	Amendments regarding stepbrother / stepsister, foster child, daughter-in-law / son-in-law and grandparents
30.03 Hours of work and overtime	Exclude meal periods from work period
35.03 Pay Administration	Add Appendices E (Cadets), F (Special Allowances) and G (Extra Responsibility Allowance)
Appendices A (conventional), B (FLP), C (Rad) Rates of Pay	Add steps 5, 6 and 7 prior to GWI April 1, 2018 3% April 1, 2019 3% April 1, 2020 3% April 1, 2021 3% April 1, 2022 7.5% April 1, 2023 5% plus market adjustment of 8% April 1, 2024 4.5% April 1, 2025 4% plus COLA re-opener in the event that CPI ending January 31, 2025 is over 4%
Appendix E Canadian Coast Guard officer cadets	Amend monthly allowance to \$800 Amend monthly sea training allowances to \$1551.81 and \$2205.85
Appendix G Extra Responsibility Allowance	Amend to include Naval Large Tugs Increase quantum of ERA
Appendix K 40 Hour Workweek System	Amend Hours of Work to ensure meal periods are paid
LOU 13-4 Variable Hours of Work	Amend so that designated paid holiday is equivalent to normally scheduled hours

Employer Proposals

As set out in the Employer’s Form 9, the remaining Employer issues are in dispute:

Article	Employer Proposal
Article 2 Interpretation and Definitions	Delete reference to masculine gender including feminine gender – <i>Guild is in agreement as per Form 10</i>
Article 3 Application	Amend 3.03 so that references to employee or masculine / feminine gender refer to all officers - <i>Guild is in agreement as per Form 10</i>
Article 10.02 Check-off notice	Increase length of notice required to change the amount of monthly deductions from one month to 90 days
Article 10.04 Religious objections	Amend clause so that the Guild instead of the Employer is responsible for verifying religious objections to check-off obligations
Article 10.07 voluntary life insurance	Delete clause relating to check off for voluntary life insurance premiums
Article 14 Information for Officers	Delete requirement to provide a paper copy of the collective agreement and replace it with electronic access
Article 19 Leave General	Add reference to granting of leave credits etc. - <i>Guild is in agreement as per Form 10</i>
Article 22 Sick Leave with Pay	Amend clause to refer to termination for cause for reasons of incapacity
Appendix A, B, C, D Annual Rates of Pay	April 1, 2018 2.8% April 1, 2019 2.2% April 1, 2020 1.35% (.15% group specific challenges, ie. allowances) April 1, 2021 1.5% April 1, 2022 3.5% (wage adjustment 1.25%) April 1, 2023 3% (payline adjustment .5%) April 1, 2024 2% (wage adjustment .25%) April 1, 2025 2%
Appendix F Special Allowances	Delete Fisheries enforcement allowance Delete Diving duty allowance
Appendix G Extra Responsibility Allowance	Add reference to officers assigned ashore for career development purposes in bullet #3 - <i>Guild is in agreement as per Form 10</i> <i>Guild has an outstanding proposal regarding bullet #1 and the amount of the Allowance</i>
Appendix (New) Memorandum of Understanding re Implementation of Collective Agreement	Add new MOU for process and timing to implement Collective Agreement

INTRODUCTION – THE BARGAINING UNIT

This collective agreement between the Treasury Board and the Canadian Merchant Service Guild governs Ships' Officers, Instructors, and Cadets employed by the federal government. Approximately eighty-five percent (85%) are employed as Officers by the Canadian Coast Guard, which has been a Special Operating Agency within the Department of Fisheries and Oceans (DFO) since 2005. The rest work as Officers on certain ships under the Department of National Defence (DND) in the Canadian Naval Auxiliary fleet. In this government fleet, the Guild represents approximately thirteen hundred and eighty-five (1385) Ships' Officers. During gales and storms when other vessels are hove-to or seeking refuge in ports, it is the ships and boats of this government fleet that are sent to save lives and provide urgent assistance to ships and seafarers in distress.

The DND Naval Auxiliary vessels provide support at sea and in port to the Canadian Forces and Canada's NATO allies. These Auxiliary vessels include harbour tugs, coastal tugs, a floating crane, torpedo recovery vessels, a submarine range patrol vessel, floating plants for degaussing and fuelling operations and a fire-fighting tug. These units are home-ported in Halifax, N.S., Esquimalt, B.C. and Nanoose Bay, B.C.

The Canadian Coast Guard is responsible for protecting Canadian Coastal Waters and provides a wide variety of services including search and rescue, environmental response, ice breaking, buoy-tending, offshore fisheries patrols, hydrographic surveying and oceanographic research, marine security operations and marine navigation services. Guild members in the "Instructor Group" (INS) are employed as instructors of Nautical Science and Marine Engineering at the Canadian Coast Guard College in Sydney, N.S.

The Canadian Coast Guard Fleet has approximately one hundred and twenty three (123) vessels. These vessels include ice breakers, ocean-going research and survey vessels, rescue vessels, buoy tenders, mid-shore and off-shore patrol vessels and others. Each different class of vessel requires a specific complement of Ships' Officers. Larger vessels may have approximately 6 to 8 Ships' Officers "on-duty" and 14-18 members from the Ships' Crews bargaining unit. A smaller vessel may only have as few as two Officers on board and an additional 2-4 Crew from the Ships' Crews bargaining unit. These vessels are home-ported at Coast Guard stations and bases across the country.

GUILD OFFICERS' TRAINING AND QUALIFICATIONS

Becoming a Ships' Officer takes several years of study at either the Canadian Coast Guard College in Sydney or by working one's way up through the ranks of the Ships' Crew in combination with studies at an accredited Marine Institute. The entry level position as a Deck Officer is known as a Watchkeeping Mate. From there, Mates can work up through different levels to become Chief Officer and finally Commanding Officer of a vessel. The Commanding Officer is the senior Officer on board the vessel. They are responsible for the safe and effective operation of the vessel and for supervising the Officers and Crew. The Commanding Officer must hold a Master's Certificate as a minimum and is required to have extensive years of sea experience and certification, pursuant to national and international standards. In practice, it takes most individuals ten to fifteen (10 to 15) years of training and experience to become qualified as a Commanding Officer. Similar rigorous training and experience apply to the Engineering Officer advancing through to the level of Chief Engineer.

Depending on the area of expertise of an Officer, they will be assigned different responsibilities. For instance, Navigation Officers work under the leadership of the Commanding Officer and coordinate the ship's deck and navigation activities. They are responsible for the safety of the ship, its crew, and any other persons on board the vessel. They also directly supervise and coordinate the crew working on both the bridge and the deck. An Engineering Officer works under the Chief Engineer to coordinate the operation and maintenance of the vessel's propulsion machinery and auxiliary equipment as well as supervising the engine room personnel. Electrical Officers are responsible for the operation and maintenance of the vessel's electric and electronic department. Logistics Officers provide logistics support to the entire vessel with respect to hotel services, ship's administration and supplies.

An Officer's pay and remuneration varies depending on type and size of vessel to which they are assigned. Class H vessels are highest ranked and Class A sub 2 are the lower ranked vessels within the fleets managed and controlled by the Coast Guard and DND.

See TAB 7 Classification Standard Ships' Officers

THE APPLICABLE LEGISLATIVE CRITERIA: SECTION 148 OF THE *FPSLRA*

The factors to be considered by an Interest Arbitration Board in making its decision are set out in section 148 of the *Federal Public Sector Labour Relations Act* ('*FPSLRA*'), which states:

Factors to be considered

148 In the conduct of its proceedings and in making an arbitral award, the arbitration board must take into account the following factors, in addition to any other factors that it considers relevant:

- (a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;
- (b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;
- (c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;
- (d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and
- (e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.

The Guild will address each of these factors below.

THE FIRST FACTOR – RECRUITMENT AND RETENTION:

(a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians

Comments on the Baxter Award

This bargaining unit has suffered from a longstanding recruitment and retention issue that was recognized by the previous Interest Arbitration Board chaired by Syd Baxter in its Award dated October 2, 2018.

See TAB 8 Interest Arbitration Award dated October 2, 2018 at para 47 onwards

The Baxter Award noted at para 48 that this problem was identified as far back as 2008 and, at para 58, stated that, “it is reasonable to conclude that there is considerable merit to the Guild’s position that this group has historical issues related to retention and recruitment”.

The Board also noted that the Ships’ Crew had just been awarded a 5% market adjustment (paras 44 and 73) which had significantly impacted the internal relativity with the Ships’ Officers. As well, the Board found at para 63 that the private sector comparators “clearly show that the wages for Ships’ Officers represented by the Guild lag significantly behind those of their counterparts in other industries”.

The Baxter Board therefore concluded that “a market adjustment increase is necessary to both retain and recruit ships officers and further bring their wages closer to that of their counter parts in the private sector” (para 76) (emphasis added).

The Guild had sought a 15% market adjustment effective 2016 to address the issue. The Baxter Board declined to grant the Guild’s full request for a market adjustment and, instead followed the accepted incremental approach and awarded a 12% market adjustment effective 2017.

As the Board will see from the Guild’s submissions, the adjustment ordered by the Baxter Board has partially addressed the issue, but the recruitment and retention issues continue.

Employer Acknowledges the Need to do More to Recruit and Retain Ships' Officers

The Employer's own documentation describes how concerned it is about the recruitment and retention problem facing the Coast Guard, particularly in the West Coast region. Specifically:

- The Employer acknowledges the facts set out in a BC Ferries Report that there is a 65 percent increase in turnover for licensed roles, ie. Ships' Officers;
- The shortage of seafarers will increase in the years ahead and the reliance on external recruitment efforts alone will not satisfy the projected talent requirements;
- Competitors are engaging in aggressive recruitment tactics such as referral bonuses for employees who facilitate a new hire, signing bonuses in the thousands or even tens of thousands of dollars, and a willingness to fund any penalties or clawbacks that would be triggered by an employee breaking their contract with another company to accept the recruiting company's job offer, a tactic employed by BC Ferries;
- Wages that are not competitive with the private sector;
- Retirement departures are increasing with the number of indeterminate retirements more than doubling from 2020 to 2021;
- Coast Guard operations are being delayed, reduced or cancelled entirely due to lack of staffing;
- Coast Guard College is not producing enough graduates to fill the crewing shortage especially for Engineering Officers; and
- "Experience at Fleet is at a critical level – Chief Officers, who are charged with supervising operations onboard, currently have an average of **9.1 patrols** on board their ship in that position (this number drops to 7.3 with the exception of a single employee), meaning that they are likely attempting to manage their departments through a program for the first or second time, and experiencing a learning curve similar to the new personnel onboard".

See TAB 9 Western Region Fleet Personnel Risks, internal CCG document

The Guild will return to these themes throughout its submissions as the alarm bells, which started to sound several years ago, are continuing to sound and are growing louder. In order for Canada to continue to safeguard its 5.3 million square kilometres of ocean and inland waterways, more needs to be done. The Coast Guard operates 24/7 and its mandate includes

providing critical life-saving search and rescue services to mariners, to provide ice-breaking services to ensure the safe and efficient movement of ships and goods in Canadian waters, to provide timely responses to oil spills and other environmental marine disasters, to support scientific and research studies and to maintain and assert Canadian sovereignty in the Arctic. Those mandates are in jeopardy if the Coast Guard is unable to recruit and retain the Ships' Officers it needs in order for its vessels to go out to sea.

Worldwide Shortage of Ships' Officers Continues

This problem is not unique to the Federal Public Service and is, in fact, a reflection of a worldwide shortage of Ships' Officers.

On April 30, 2023, Transport Canada concluded consultations regarding the labour shortages in Canada's marine transportation sector. As a result of those consultations, the Government estimates that:

- 43% of the marine workforce will retire over the next 10 years, including 52% of engineering officers and 47% of deck officers
- There will be a need to hire roughly 19,000 new workers over the next 10 years, which represents 68% of the workforce
- Vacancy rates for deck officers are around 7%, followed by 6% for engineering officers – higher than the national average of 4%
- Vacancies are highest for positions that are critical to operating a vessel: deck officers and engineering officers

See TAB 10 2023 Government of Canada Consultation "Let's talk: Labour Shortages in Canada's marine transportation sector"

The warnings related to shortages of mariners are not new. BIMCO, the Baltic and International Maritime Council, is one of the largest international organizations of ship owners in the world and they have issued several reports on this issue. In 2021, their Seafarer Workforce Report predicted that "there will be a need for an additional 89,510 officers by 2026 to operate the world merchant fleet" and highlighted a "current shortfall of 26,240 STCW certified officers indicating that demand for seafarers in 2021 has outpaced supply". The Report further confirmed that

certain categories of Officers continue to be in short supply, particularly those with technical experience especially at management level.

See TAB 11 “Ship Officer Shortage on the Horizon – Report”, *Maritime Logistics Professional*, August 3, 2021

The shortage of labour across all aspects of marine industry was acknowledged by the Minister of Fisheries, Oceans and the Canadian Coast Guard.

See TAB 12 *Engaging on Canada’s Blue Economy Strategy: What we Heard*, March 2022

The House of Commons Standing Committee on Transport, Infrastructure and Communities has also heard evidence regarding the labour shortages generally in the Canadian transportation sector. On October 19, 2022, the Committee heard testimony from Mr. Maguessa Morel-Laroce, Director, Government and Stakeholder Relations, Chamber of Marine Commerce:

Like our multimodal partners in trucking and rail, we have a tremendous challenge ahead. The Canadian marine sector is already struggling to fill positions across the country, and in recent years labour shortages have even led to ships being idle temporarily. Marine colleges are finding it difficult to hire teachers, and government agencies are competing against private companies for the same small and aging talent pool. For the most part, the marine industry operates efficiently and often quietly away from the public eye. Consequently, awareness of marine sector careers is low. Most youth and those looking for a second career do not think of seafaring or many related career paths within the industry.

You should be aware that labour market data for the marine sector is scarce, and what does exist is usually dated or incomplete. However, a recent study conducted by Transport Canada found that **43% of the Canadian marine transportation workforce is expected to retire over the next 10 years. This figure is even higher in critical positions, such as engineering officers and deck officers.** Transport Canada estimates that there will be a need to hire approximately 19,000 new workers over the next 10 years.

See TAB 13 Standing Committee on Transport, Infrastructure and Communities,
Evidence, Number 034, October 19, 2022

Quite frankly, those numbers are astounding and it bears repeating that nearly half of the Canadian maritime transportation workforce is expected to retire in the next decade. This collective agreement runs until 2026 and based on past history between the parties, the next round of bargaining will not be completed until at least 2027, which will be halfway through the decade referenced in the report. The Canadian Coast Guard cannot afford to wait until the next round of bargaining to fix this problem.

The Federal Government has engaged in several initiatives, both short-term and longer-term, to tackle this issue. As part of a long-term approach they have partnered with industry stakeholders, such as the Guild, to set up a new organization called Imagine Marine and the Canadian Marine Careers Foundation to work on solutions to develop the Canadian marine workforce. These organizations are engaged largely in programs to increase awareness of the different Marine Careers available through initiatives like job expos, as well as increasing awareness among young people through initiatives like presentations in elementary schools.

These initiatives are crucial because, unlike years past, a career at sea is no longer viewed as a desirable life choice. Being away from your family for weeks at a time and living in close quarters on board a vessel where you often will not have access to the internet is not appealing to many young people who are interested in maintaining work life balance and being connected with their friends and family. A career as an Officer, by necessity, will include time spent at sea and so there need to be other ways to make becoming and remaining an Officer an attractive career choice.

More immediate solutions to the recruitment issue include the establishment of a Direct Entry (Examination) Program along with a Seafarer Placement Recruitment Services, an equivalencies program with the Department of National Defence and a Marine Training Program to recruit individuals from underrepresented groups.

See TAB 10 2023 Government of Canada Consultation “Let’s talk: Labour Shortages
in Canada’s marine transportation sector”

A reciprocal agreement with the Philippines has also been signed that will recognize Philippine certificates of competency for Filipino sailors. Bruce Burrows, President and CEO of the Chamber of Marine Commerce commented on this agreement stating that,

We've been requesting assistance from Transport Canada to help us bring in more foreign workers to work on our ships, and these are officers and regular seamen because we have an acute shortage of personnel in the marine industry in Canada.

See TAB 14 *"Filipino sailors cleared to serve on Canadian-flagged vessels for first time"*, CBC, April 23, 2023

On June 7, 2023, Drewry, a maritime research consulting group for the maritime and shipping industry, released its latest "Manning Annual Review and Forecast" report indicating that,

The 2023 officer availability gap has widened to a deficit equating to about 9% of the global pool, which represents a marked rise from last year's 5% shortfall and the highest level since Drewry first started analysing the seafarer market 17 years ago. Similar deficit levels are forecast for 2023-2028 based on the limits of new seafarer supply becoming available in the period. While these deficit levels are based on vessel numbers together with assumptions on crewing levels and so largely theoretical, they clearly indicate that the seafarer labour market has become particularly tight, with important implications for recruitment and retention as well as manning costs.

Although 2020 is now more and more behind us, the effects of Covid-19 are still persistent, as it not only had a substantial impact on crew training but also on the overall appeal of working at sea. This was mainly due to the various stories of crews stuck on board vessels, too often in dire conditions.¹

As a result, the importance of wellbeing has come to the forefront in employee retention, and the trend of looking beyond wage rates is becoming stronger by the day. Things like

¹ The Guild notes that the stories of crews stuck on board vessels also apply to this Employer as management restricted and denied shore leave during Covid which meant that Officers were not permitted to leave their vessel, including during their "off" time. These decisions have led to grievances and, as the Drewry report mentions, have caused a severely negative image of the perils of pursuing a career with Coast Guard.

good communication channels with families at home, comfortable facilities onboard and a supportive work environment are gaining importance.

The most challenging period of the pandemic had hardly ended when the eruption of the Russia-Ukraine war created further challenges in seafarer supply, with many experienced crews returning home to join the military. Unfortunately, there is no end in sight to the war currently, so we expect numbers of new seafarers from Russia and Ukraine to be very limited for a while.

While vessel manning will be challenging over the few next years, especially with regard to officer availability because of these issues, the accelerating growth of the global deep sea vessel fleet will make the situation even more difficult.

See TAB 15 *Seafarer labour market tightest on record*, Drewry Press release, June 7, 2023

Currently, there are ongoing open competitions being run for virtually every level of Ships' Officer across the country. For instance:

- Chief Officer – hiring at levels SO-MAO-03 and SO-MAO-05 to SO-MAO-08 in Shippagan, St. John's and Dartmouth, open until March 8, 2025
- Commanding Officer – Small Vessel Fleet – hiring at levels SO-MAO-04 and SO-MAO-06 at multiple locations to create a roster to backfill absences at multiple SAR stations as well as 3-non-SAR locations in Newfoundland, PEI, New Brunswick and Nova Scotia, open until September 14, 2023
- Engineering Officer – posting for casual, term, indeterminate, acting in Victoria. The posting was extended until June 30, 2022 and extended again until July 12, 2023.
- Engineering Officer (including Marine Engineer, Mechanic, Senior Engineer, Chief Engineer) – hiring at levels SO-MAO-03 to 08 for Relief opportunities in Ontario and Quebec
- Marine Engineering Instructor – hiring at level SO-INS-01, open until Feb. 24, 2024
- Maritime Navigation Instructor – hiring at level SO-INS-01, open until August 4, 2024

- Navigation Officer – hiring Relief (Navigation Officer, Commanding Officer, Chief Mate, Chief Officer, Second Officer, Third Officer) at levels SO MAO 03-08 in various locations in Ontario and Quebec, open until December 31, 2023
- Senior Engineer – hiring indeterminate, acting, specified period, deployment, assignment, secondment at levels SO-MAO-06 and SO-MAO-07 in Victoria, open until December 31, 2023
- Senior Engineering Officer – hiring at levels SO-MAO-06 to SO-MAO-08 in St. John’s and Dartmouth, open until September 26, 2024.

See TAB 16 Job Postings

Staffing Processes for Atlantic and Western Fleet

Those competitions marked as “EA” are externally advertised so that Officers from the private sector may apply directly to Coast Guard but even that is not generating sufficient Officers to fill vacancies.

The Employer is having such a hard time recruiting new employees that it is continuing to ask retired employees to return to work. In the Atlantic Region, particularly in Newfoundland, this lack of qualified Officers means that the Employer is relying on retired Officers to staff vessels and, in some cases, has even permitted them to continue working as casual employees beyond the ninety (90) day prohibition that normally applies to the use of casual employees after retirement.

Consequences of Recruitment & Retention Issue

In June 2023, the Coast Guard was unable to complete its program to service and replace Oceanographic Data Acquisition System (ODAS) buoys (a buoy which provides critical advanced weather information to mariners and recreational sectors) because *CCGS Sir Wilfrid Laurier* had a new crew including a new winchman, deckhands, quartermasters and Chief Officer, all of which meant that this technical task had to be delayed.

See TAB 9 Western Region Fleet Personnel Risks, slides 14 and 17

As a result of the lack of personnel elsewhere, frontline Chief Officers are being required to familiarize and train new personnel while also carrying out program delivery which is adding increased stress for frontline supervisors.

See TAB 9 Western Region Fleet Personnel Risks

Vessels are being tied up

If senior Officers are unavailable, the reality is that a vessel cannot set sail. Between April and December 2022, the lack of personnel has resulted in **748 days** when Coast Guard vessels on the West Coast were delayed, cancelled or had reduced capability. This data does not include the East Coast.

See TAB 17 Operational Effects of Turnover

More specific examples include:

- CCGS *Gordon Reid*, an offshore fisheries patrol vessel on the West Coast, was tied up for 2 weeks in August 2023 as it lacked a Chief Engineer;
- Both CCGS *Grenfell*, a multi patrol vessel, and CCGS *Laurier*, a buoy laying vessel, both on the West Coast, have obtained permanent exemptions from needing a Chief Engineer to set sail (instead, the Government is staffing the vessel with lesser qualified personnel which means that the vessels cannot go beyond 25 nautical miles from the coastal shore);
- Both East Coast and West Coast are plagued with shortages of Chief Engineers but their operations and staffing are regionalized. In 2023, in order to address the lack of Chief Engineer on a mid-shore patrol vessel on the West Coast and ensure that the vessel remains in service, the Employer has flown a Chief Engineer from the Central Region to the West Coast several times this year. At the same time, a second mid-shore patrol vessel has remained tied up. At times, the Employer has also had to resort to obtain an exemption from Transport Canada so that it can use a Ships' Officer with only a third or fourth class engineering ticket to supervise refit work being done on mid-shore patrol vessels.

It should also be noted that the parties are before the PSLREB on a statutory freeze complaint where the central issue is whether recent actions taken by the Coast Guard to address the Engineering Shortage, and specifically the lack of available Engineers to staff Motorized Life

Boats in the Western Region, violates the freeze. In their Response to the Complaint, the government relies on the Engineer shortage as a central component of their defence.

See TAB 18 Response dated September 12, 2023, FSPLREB Complaint 561-02-47905 Canadian Merchant Service Guild & Treasury Board

Ships' Officers cannot access vacation leave or other leave

Staffing Shortages continue to cause the denial of leave for existing Guild Officers. This staffing retention and recruitment crisis has reached the point that it is now seriously impacting the workload and ability of existing bargaining unit members to be granted their vacation and leave requests. Many Officers have reported to the Guild that they are either unable to obtain approval for their leave requests even if they submit them months in advance, or their leave is cut short.

In addition, Officers have been regularly asked and continue to be asked to do back to back tours onboard vessels with no rest between shifts.

In addition to the cancellation of vacation leave, in 2023, a Chief Engineer on Parental Leave was requested to return to duty one month early in order to ensure that their vessel was able to sail.

Officers are leaving

As noted, the recruitment and retention issues with respect to Ships' Officers are still at crisis levels because the federal government has to compete with the private sector in order to recruit and retain qualified personnel at a time when there is a shortage of qualified officers worldwide. This is happening at the same time as the marine industry is expanding. With the potential to make even more profits the private sector is now offering competitive compensation to newly qualified Coast Guard Cadet graduates who have just completed the Canadian Coast Guard College program. Traditionally graduates from that program would graduate and transition into a Coast Guard position, but more and more they are opting for the higher wage packages offered in the private sector. These higher wage packages include signing bonuses worth tens of thousands of dollars and compensation to pay any penalties associated with breaking a contract

such as the Coast Guard Cadet Allowances that may be clawed back if a Cadet declines to work for the Coast Guard for 4 years on graduation.

See TAB 9 Western Region Fleet Personnel Risks

Furthermore, the Coast Guard is seeing a continual outflow of senior qualified Coast Guard Officers who are frustrated with stagnating wage increases and the Phoenix pay fiasco to the point that they resign to take up work in the private sector.

As recently as September 2022, Coast Guard was trying to recruit qualified engineers to work on Search and Rescue Motor Lifeboats on the West Coast without success. At the same time, the Guild was aware of at least five (5) qualified engineers who accepted employment with a private sector company offering a superior compensation package to the Coast Guard. The Guild is aware of other Officers who are contemplating leaving in order to work in the private sector and is also fully aware that the private sector is engaged in “headhunting” Ships’ Officers.

For instance, in 2021, Algoma Central advertised that it was re-introducing its “officer recruitment and referral program”. This program paid up to \$15,000, split between the referring Officer and the Officer who was recruited, to all First Mates and Second Engineers hired in July 2021.

See TAB 19 Algoma Officer Recruitment Program

Canada Steamship Lines is currently offering a similar hiring incentive program, worth up to \$20,000 and paid to the referring Officer in relation to Officers hired as Piloting Captains, Captain, Piloting 1st mate, Second Engineer and other Officers.

See TAB 20 CSL Recruitment Incentive 2023

Coast Guard expressly recognizes the challenges posed by these recruitment and retention issues and has highlighted the need to proactively address it. Coast Guard’s Integrated Business and Human Resources Plan for 2020-2021 states explicitly that “now is the time to focus on our people” and notes that,

the Canadian Coast Guard must also address externally driven workforce challenges. An increasingly competitive labour market, generational and demographic changes, and new personnel approaches across the Canadian public service and industry are changing the landscape. Our people strategies must be agile, flexible, adaptive, and efficient to successfully attract, develop, retain and reward a talented, diverse and inclusive workforce.

The Business Plan lists 4 pillars for their new model, the first of which is recruitment. The Guild echoes and endorses the Coast Guard's plan and agrees that "now is the time to focus on our people" and that the first pillar of this "People Strategy" is to "chart an ambitious course for evolving our leadership competencies".

See TAB 21 2020-2021 Canadian Coast Guard at p42

The most recent reports from the Operations Maritime Team in September 2023 indicate that the trend of shortages is not reversing but is in fact worsening and recruitment and retention remain major focuses for the Coast Guard.

- See TAB 22**
- a) Western Regional Insights Report
 - b) Central Regional Insights Report
 - c) National Regional Insights Report
 - d) Atlantic Regional Insights Report

The Canadian Coast Guard plays a key role in carrying out Canada's objectives in maintaining a safe, secure and well-defended Arctic and North as Canada seeks to maintain its sovereignty over its lands and waters. The Coast Guard is extending its icebreaking season in the Arctic as part of Canada's Oceans Protection Plan

See TAB 23 Arctic and Northern Policy Framework: Safety, security and defence chapter

See TAB 24 Oceans Protection Plan – Arctic Presence

The Coast Guard's ice breakers play a critical role in maintaining Canada's sovereignty as well as ensuring that, from December to May, marine traffic is able to move safely through Canada's east coast from Newfoundland to Montreal and in the Great Lakes, and, from June to November, icebreakers provide services in the Arctic.

See TAB 25 Icebreaking in Canada

The Canadian Government is investing significantly in renewing the Coast Guard's fleet as well as that of the Royal Canadian Navy with the construction of new vessels and refit of existing vessels. Construction includes two new heavy polar icebreakers that will replace the aging CCGS *Louis St. Laurent* which is set to retire at the end of this decade. The new vessels will be able to operate farther north, in more difficult conditions but, in order to set sail, they will need qualified Officers.

See TAB 26 Year in Review 2022: National Shipbuilding Strategy

See TAB 27 "Seaspan Starts "Prototype Block" for Canada's First Polar Icebreaker",
The Maritime Executive, June 2, 2023

The Guild submits that, unless the Coast Guard is able to recruit and retain sufficient qualified Officers to staff its vessels, the core mandate of the Coast Guard - to help the government meet the public's expectation of clean, safe, secure, healthy and productive waters and coastlines – will go unfulfilled and the needs of Canadians will simply not be met.

THE SECOND FACTOR – COMPARATORS WITHIN THE PRIVATE AND PUBLIC SECTORS

(b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;

There are no other Ships Officers within the Core Public Administration ('CPA') of the Federal Government and therefore, no direct comparators within the CPA. The Guild nonetheless will refer to other unionized groups within the CPA of the Federal Government with special attention paid to the Ships' Crew who are members of the Public Service Alliance of Canada in the "SV" Group (Operational Services). While the qualifications, duties and responsibilities of the Ships' Crew are entirely different to those of Ships' Officers, their workplaces and scheduling systems are the same.

In addition, with respect to the Instructors and Cadets at the Coast Guard College, the Guild will make reference to Transport Canada Inspectors and Radio Operator trainees, respectively.

There are a few other "public sector" comparators with whom the Guild has Collective Agreements, namely:

- Atlantic Pilotage Authority is a federal Crown corporation mandated to assist in pilotage in all Canadian waters in and around New Brunswick, PEI, Nova Scotia and Newfoundland and Labrador.
- The Great Lakes Pilotage Authority is a federal Crown corporation mandated to assist in pilotage in the Great Lakes.
- Marine Atlantic is a federal Crown corporation providing ferry service between Newfoundland and Labrador and Nova Scotia that receives public funding.
- Newfoundland Provincial Ferries (Treasury Board) is a provincial collective agreement covering the operation of ferries between Fogo / Farewell, Ramea / Grey River / Burgeo, St. Brendan's / Burnside and Green Bay.

In addition, BC Ferries is a large public sector unionized comparator with bargaining rights held by the BC Ferry and Marine Workers' Union.

In addition to these public sector collective agreements, the Guild also submits that this Board should give careful consideration to various private sector comparators, particularly in light of the ongoing recruitment and retention issues affecting this group.

The maritime shipping industry in Canada is significant. Canadian ports on each coast and through the Great Lakes are the main point of exit of Canadian bulk commodities for overseas markets and the main point of entry for imported containerized manufactured goods. Ports are also important hubs connecting inland domestic and American markets as global shipping is responsible for transporting more than eighty percent (80%) of the world's goods to market. In 2020, Canada's commercial registered fleet had 727 vessels along with several coastal passenger ferry services carrying an average of more than 53 million passengers and more than 21 million vehicles per year.

See TAB 28 Canada's Marine Network

Many of the large private sector shipping companies are unionized and the Guild is the bargaining agent for the majority of those companies. The Collective Agreement that the Guild has with Treasury Board is only one of many Collective Agreements that it has negotiated on behalf of Ships Officers in Canada. The Guild has Collective Agreements covering every segment of shipping from offshore supply vessels to tankers, freighters, towboats, lakers, deep sea vessels, passenger ferries, federal government vessels and Pilotage operations in every part of Canada from Newfoundland to British Columbia. It is therefore very knowledgeable with regards to the terms and conditions of employment in comparable positions throughout the maritime industry.

The Guild will be relying on the following private sector Collective Agreements that it holds with the following Employers although the Board should note that there may be more than one Guild Collective Agreement with the same Employer covering different classifications, ie. some Agreements cover only Masters or only Engineers:

EAST COAST & GREAT LAKES

1. Algoma Central Corporation	Dry-bulk carriers and self-unloader vessels in the Great Lakes and St. Lawrence Seaway
2. Algoma Great Lakes Shipping Inc.	Dry-bulk fleet on the Great Lakes
3. Algoma Tankers Limited	Tanker fleet for liquid petroleum products throughout Great Lakes, St. Lawrence Seaway and Atlantic Canada
4. Altera (Atlantic) Management ULC	All Canadian Licensed Employees of Altera (Atlantic) Management ULC employed aboard all Canadian shuttle tankers owned by the employer in the Canadian Offshore Oil Production Industry.
5. Anglo-Eastern Ship Management	Licensed Engineers on board the <i>MV Arctic</i>
6. Bay Ferries Ltd. **	Deck Officers for ferry service across the Bay of Fundy between Saint John, NB and Digby, NS
7. Canada Steamship Lines	Bulk carriers and self-unloaders on the Great Lakes and St. Lawrence Seaway
8. Cancrew Enterprises	Umiak 1, touted as the world's strongest ice-breaker, operates year round carrying nickel from Voisey's Bay mine in northern Labrador to smelters in Sudbury and Thompson, MB
9. Comtug Ltd (North Atlantic)	Towing and tugboat services, freight transportation in Canadian territorial waters
10. Fettes Shipping Inc.	Tugs and barges on the Great Lakes
11. Great Lakes and International Towing & Salvage Company Inc.	Towing and salvage on the Great Lakes
12. Maersk Supply Service Canada	Offshore supply vessels

13. Northumberland Ferries Ltd.**	Ferry service between Prince Edward Island and Nova Scotia**
14. Nova Algoma Cement Carriers	Cement carriers on the Great Lakes – St. Lawrence Seaway and Maritime Provinces
15. Ocean Ontario Towing Inc.	Harbour tug services in Hamilton, Oshawa and Toronto
16. Oceanex Inc.	Operates Oceanex Sanderling, a cargo ship sailing between Halifax and St. John's carrying containers, trailers and motor vehicles
17. Svitzer Canada Ltd. (subsidiary of Maersk)	Harbour and sea-going Tugs on the coast
WEST COAST	
18. Amix Marine Services Ltd	Tug and barge services including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
19. DH Timber Towing & Salvage Ltd	Towing and salvage services including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
20. Fraser River Pile and Dredge Inc.	Trailer Hopper Dredging operations in B.C.
21. Harken Towing Co. Ltd.	Tugboat operations including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
22. Hodder Tugboat Co	Tugboat operations including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
23. Jones Marine Services Ltd.	Commercial log towing, barge towing and ship berthing services within coastal and inland waters of BC or in waters bordering the Yukon or NWT
24. Lafarge Marine Operations	Tugboat operations including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
25. North Arm Transportation Ltd.	Vessels operated within coastal and inland waters of BC or in waters bordering the Yukon or NWT

26. Pacific Towing Services Ltd.	Towing services within Puget Sound and the Fraser River
27. SAAM SMIT Canada Inc.	Towing services including within coastal and inland waters of BC or in waters bordering the Yukon or NWT
28. Seaspan ULC	Vessels operated within coastal and inland waters of BC or in waters bordering the Yukon or NWT
29. Tidewater Marine Ltd (Formerly known as Island Tug and Barge Ltd)	Tug and barge services including within coastal and inland waters of BC or in waters bordering the Yukon or NWT

** receives federal funding

THE THIRD FACTOR – INTERNAL RELATIVITY

(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;

Relationship between Ships' Officers and Ships' Crews

Ships' Officers not only command vessels but also command and supervise the Ships' Crews who are represented by a separate bargaining agent - the Public Service Alliance of Canada (PSAC).

The importance of maintaining hierarchy and accepted differences between classification levels is essential to ensuring appropriate respect within the command structure and for the efficient operation of the vessel. Assigning proper differential rates of pay for these levels is simply a recognition of the increasing level of responsibility which comes with higher levels of training, competency, responsibility and accountability. In addition, by definition, every pay compensation system has to provide for appropriate relative compensation as between categories of work that are not equal.

As will be set out in more detail in the Guild's submissions on the appropriate economic increases, the internal relativity between the Ships' Officers and the Ships' Crew requires an adjustment in order to ensure that this factor is respected.

THE FOURTH FACTOR – FAIR AND REASONABLE COMPENSATION

(d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered;

The Responsibility of Ships' Officers

It will take a Ships' Officer no less than seven (7) years and more likely closer to ten (10) years of combined college, academic training and solid years of sea experience to meet the legislative requirements to obtain Ships' Master Certification or Engineers' Certification for appointment to a position as Commanding Officer or Chief Engineer on many of the vessels under the Employer's control.

Unlike the unlicensed personnel who they supervise, Guild members have complete responsibility for a multi-million-dollar national asset that is effectively irreplaceable should it become unusable as a result of an error made by an Officer. At the same time, the Officers have overall operational and supervisory responsibility for the Ships' Crews who work under them on these same vessels and who work under the same crewing systems – with the majority employed under Appendix H which incorporates a "lay day factor" as part of the compensation structure. Currently the Ships Crews enjoy a 1.17 lay day factor while the Guild Officers working under the identical scheduling system work under a 1.0 lay day factor. More will be said about this in the Guild's submissions under Wages but the recent gains made by the Ships' Crew means that this differential is shrinking again.

The Appendix H Lay day vessels, many of which operate on a 28 day on and 28 day off cycle, are frequently operated in remote and desolate locations. The consequence of error for a Guild Officer at sea may lead to loss of life, loss or damage to the multi-million-dollar vessel and/or significant environmental damage.

Without disparaging the expertise and dedication of the Ships' Crews in any way, it is simply a fact that the Ships Crews have significantly less responsibility in their jobs and require significantly less academic study, training time and experience before they can go to sea under the supervision of an Officer.

From a compensation perspective, all of these differences ought to be reflected in an appropriate difference or gap in compensation between the Classifications in accordance with Section 148(d) of the *FPSLRA*. Currently that is no longer the case, and the Guild submits there is a demonstrated need to correct this anomaly.

Furthermore, the Guild submits that in the marine world it is historically recognized that the “chain of command” on a ship is essential to the safe operation of vessels on the open and unpredictable ocean waters.

THE FIFTH FACTOR – CANADIAN ECONOMY AND CANADA’S FISCAL CIRCUMSTANCES

(e) the state of the Canadian economy and the Government of Canada’s fiscal circumstances.

The duration of this Collective Agreement covers a lengthy period of time. In the Guild’s submission, it is appropriate for this Board to consider the economic climate and the Government’s fiscal circumstances throughout the lifespan of the proposed Collective Agreement, namely from April 1, 2018 through until its expiry in March 2026.

In passing, the Guild notes the Board’s comments with respect to the Canadian economy and fiscal circumstances in *Canadian Federal Pilots Association and Treasury Board for the Aircraft Operations* group:

The board first notes that the total number of employees affected by this Award is less than 400. We also note that the AO bargaining unit has no comparator groups within the CPA. We find that this criteria has little impact on our decision with regards to wages.

See TAB 29 *Canadian Federal Pilots Association v Treasury Board (Aircraft Operations)*, 2019 CanLII 129003 (PSLREB)

While we submit that, as in the *Pilots* case, *supra*, this criteria should have little impact, especially compared to the first and second factors, the evidence also supports that Canada’s fiscal circumstances are not a barrier to any of the Union’s proposals.

Pre-Covid 2018 – 2019

In February 2018, the Federal Government tabled its Budget for 2018-19 which referenced the lowest unemployment rate of 5.8% in December 2017, the lowest it had been in four decades. Household consumption had been increasing at an annualized pace of 3.9% per quarter since mid-2016 and growth was reported as being fairly broad across consumption categories and regions, including an economic recovery in Alberta.

See TAB 30 Budget 2018 – Annex 1 – Economic and Fiscal Outlook

By the summer, “the Canadian economy topped expectations with a growth of .5 per cent in May” and “nineteen out of 20 sectors tracked by Statistics Canada recorded a pickup in economic activity”.

See TAB 31 Global News, *Canadian economy grew 0.5% in May, prompting talk of a fall rate hike*, July 31, 2018

In 2019, there were signs of worldwide economic uncertainty, “marked by rising global tensions, trade policy uncertainty between the U.S. and China and the BREXIT process” but, “despite the uncertain world economic conditions, Canada’s performance for 2019 was marked by growth. Canada’s export of goods and services were \$729 billion in 2019, up 2.2% compared to 2018.”

See TAB 32 Office of the Chief Economist, Global Affairs Canada: *Canada’s State of Trade - 2020*

Towards the end of 2019, the Bank of Canada kept interest rates steady as the Canadian economy continued to show strength. Growth in the second quarter had proven to be strong, driven by stronger energy production and export growth, increased housing resales and higher wages. Inflation remained at the target of two percent (2%).

See TAB 33 Bank of Canada Press Release dated September 4, 2019

Pandemic 2020-2022

There is no dispute that the Covid-19 pandemic devastated the Canadian and worldwide economy in a way that had not been seen in decades. CBC reported that “2020 was the worst year on record for Canada’s economy. It shrank by 5.4%”. Nonetheless, by the end of 2020, Canada’s GDP had grown by 2.3%.

See TAB 34 CBC, *2020 was the worst year on record for Canada’s economy. It shrank by 5.4%*, March 2, 2021

Throughout this time period, the Federal Government instituted a number of financial stimulus and aid packages directed to Canadian workers and corporations that alleviated the immediate impact of the pandemic.

By 2021, as vaccines became more widely available and more and more workers were able to return to work, the economy slowly picked up steam. Statistics Canada reported that “economic output rose steadily from June to November, recovering to pre-COVID levels nineteen months after the initial lockdowns in March and April 2020”. However, data predicted rising costs related to labour, capital and energy going into 2022.

See TAB 35 “Recent developments in the Canadian economy: Winter 2022”,
Statistics Canada Economic and Social Reports, March 23, 2022

Although interest rates had been slashed throughout the early stages of the pandemic so that they had dropped to historic lows, including fixed mortgage rates at 1.99% or lower, partway through 2021 inflation started rising dramatically. By March 2022, in response to a variety of factors including rising CPI inflation which sat at 5.1% and the Russian invasion of Ukraine, the Bank of Canada initiated the first of many increases to the interest rate.

See TAB 36 Bank of Canada increases policy interest rate, March 2, 2022

Despite the increase, inflation continued to rise until it hit a peak of around 8.1% in the summer of 2022. As a result, the Bank of Canada continued raising interest rates throughout 2022 and most of 2023. By July 2023, the Bank’s overnight rate hit 5%, the highest it has been since 2001. Nonetheless, core inflation stubbornly remained high and had only come down to around 3.5 to 4 percent.

See TAB 37 “Bank of Canada raises key interest rate for the 10th time since March 2022”, *CTV News*, July 12, 2023

Currently in 2023

According to TD, “The Canadian economy knocked it out of the park with the strongest growth among G7 countries in the first quarter of 2023”.

See TAB 38 TD Economics, *Canadian Quarterly Economic Forecast*, June 15 2023

On September 6, 2023, the Bank of Canada declined to raise interest rates again and instead maintained the overnight rate at 5%.

More will be said about the effect of inflation in the Guild's submissions on wages.

Appendix A, B and C – SO Group Hourly Rates of Pay

Guild Proposal		Employer Proposal
1. Prior to general wage increases, add Steps 5, 6 and 7 as per attached Schedules A, B, C		
2. General wage increases as follows:		
April 1, 2018	3%	2.8%
April 1, 2019	3%	2.2%
April 1, 2020	3%	1.35% (plus .15% for group specific challenges, ie. allowances)
April 1, 2021	3%	1.5%
April 1, 2022	7.5%	3.5% (wage adjustment 1.25%)
April 1, 2023	5% plus market adjustment of 8%	3% (payline adjustment .5%)
April 1, 2024	4.5%	2% (wage adjustment .25%)
April 1, 2025	4% plus COLA re-opener in the event that CPI ending January 31, 2025 is over 4%	2%

DISCUSSION

There are two (2) parts to the Guild’s proposal:

1. First, the Guild is seeking to add additional increments to the pay grids set out in Appendices A, B and C of the Collective Agreement, prior to any economic increases so that all Appendices would have a total of seven (7) steps.

2. Second, the Guild is seeking retroactive general wage increases in each year of the renewal Collective Agreement including a market adjustment in 2023 and a COLA re-opener in the final year of the Collective Agreement.

The Guild’s submissions on these proposals are set out in more detail below.

(1) Additional Increments

Appendices A through C set out the Hourly rates of pay for Officers working under the “conventional” system (Appendix A), the Floating Plant sub-group (Appendix B) and the Radio sub-group (Appendix C).

Officers assigned to the Conventional system work a 40 hour work week, 8 hours per day, Monday to Friday.

The FLP sub-group are the Chief Engineers or “Dredgemasters” who are in command of the Floating Plant Operations used in operations utilizing non-self-propelled vessels.

The Radio sub-group refers to operators responsible for all onboard radio equipment.

Currently, the wage grids for these groups consist of four (4) increment steps, except for the first two (2) levels of Appendix A, the MAO-TO (Training Officer) and MAO-01 level, which both have five (5) steps. Article 35.06 stipulates that “the pay increment period for full-time officers shall be twelve (12) months and a pay increment shall be to the next rate in the scale of rates”. In other words, it typically only takes four (4) years for an Officer to reach the top of their pay level.

The Guild is proposing to add additional steps to the pay grid which would maintain the existing 3.5% differential between increments. A sample of the Guild’s proposed pay scales are enclosed with its Book of Documents.

See TAB 39 Schedule A – MAO
Schedule B – FLP
Schedule C - RAD

If the Board awards the Guild’s proposal, there would be a total of seven (7) steps for each of the Appendices. The Guild’s rationale for additional increments is to address the recruitment and retention issues that are plaguing the Employer.

Scale restructuring is frequently used as a tool to address internal or external pay relativity problems and/or recruitment and retention issues and, in these circumstances where there is an

ongoing and severe recruitment and retention issue with respect to Ships' Officers, the Guild submits that adding steps to the pay grid is an appropriate and reasonable response and requests that the Board award its proposal.

The Employer recently agreed to add a new increment to the wage scale of four percent (4%) above the current maximum rate of pay for the Marine Communications and Traffic Service Officers at the Coast Guard.

See TAB 40 Canada Coast Guard workers secure tentative agreement with no concessions, June 26, 2023

The Guild requests that the Board award its proposal to add additional increments to Appendices A, B and C.

(2) Wage Increases

The second aspect of the Guild's proposal on wages relates to annual economic increases. For ease of reference, the Guild has reproduced its proposed wage increases below. The Board will see that the Guild is seeking 3% increases for the first four (4) years of the Collective Agreement followed by higher increases in the last four (4) years to reflect rising inflation as well as a market adjustment in April 2023 to address the ongoing recruitment and retention issues and a COLA re-opener in 2025:

April 1, 2018	3%
April 1, 2019	3%
April 1, 2020	3%
April 1, 2021	3%
April 1, 2022	7.5%
April 1, 2023	5% plus a market adjustment of 8%
April 1, 2024	4.5%
April 1, 2025	4% plus COLA re-opener in the event that CPI ending January 31, 2025 is over 4%

As set out by the Board in *PSAC v House of Commons 2021, supra*, unless there is a problem with recruitment and retention, the pattern in the federal public administration is generally 2.8% in 2018, at least 2.2% in 2019, 1.5% in 2020 and 1.5% in 2021.

See TAB 41 *PSAC v House of Commons, 2021 FPSLRB 45 (Canlii) at para 66*

The Board has taken note of the recent tentative agreements reached between Treasury Board and the PSAC's Operational Services, Education and Library Sciences, Program and Administrative Services and Technical Services bargaining units as well as the Canada Revenue Agency's tentative agreement with the PSAC's Union of Taxation Employees as reflective of settlements achieved through free collective bargaining. These tentative agreements were reached after 155,000 federal government workers from 30 government departments and agencies went on strike April 19, 2023. They had been without a deal since 2021 and were on strike for several weeks.

See TAB 42 *Treasury Board and Canada Revenue Agency workers approve new four-year contract, PSAC says, CTV News, June 16, 2023*

The tentative agreements covered 2021 to 2024 and include 12.6 % compounded wage increases as follows:

2021	1.5%
2022	3.5% (plus wage adjustment 1.25%)
2023	3% (plus minimum .5% group specific market adjustments)
2024	2% (plus wage adjustment .25%)

See TAB 43 a) CRA and PSAC – UTE Tentative Agreement
b) PSAC Education and Library Science Tentative Agreement
c) PSAC Operational Services Tentative Agreement
d) PSAC Program and Administrative Services Tentative Agreement
e) PSAC Technical Services Tentative Agreement

In addition to the economic increases, employees also received a \$2500 one-time pensionable lump sum allowance on the date of signing the Collective Agreements.

It should also be noted that the Ships' Crew received a 4% market adjustment in 2023 so that the compounded wage increase payable to the Ships' Crew over the life of the four (4) year Collective Agreement is 16.51%.

The Board's recent interest arbitration decisions have confirmed this pattern:

- See TAB 44** *PSAC v House of Commons (Reporting sub-group and text processing sub-group in Parliamentary Programs group)*, Dan Butler, April 21, 2021
- See TAB 45** *PSAC v Statistics Survey Operations*, Mort Mitchnick, Oct. 28, 2022
- See TAB 46** *PSAC v Office of Superintendent of Financial Institutions*, William Kaplan, January 31, 2023
- See TAB 47** *PSAC v Library of Parliament (Research and Library Services Group)*, Marie-Claire Perrault, October 13, 2023

Why should the Ships' Officers get increases higher than the pattern?

The Guild's rationale for its economic increases is three-fold:

1. Internal relativity with the Ships' Crew;
2. External relativity with the private sector; and
3. High Inflation.

All three factors strongly support that higher than pattern wage increases are necessary to prevent the current recruitment and retention issues from worsening. The Guild's submissions on each of these rationales are set out below.

Internal relativity with the Ships' Crew

The corollary to the principle of "equal pay for equal work" is that those who have the responsibility to supervise subordinates are entitled to a significant difference in pay to reflect the differences in responsibility and to engender both respect in subordinates and to attract

junior employees to apply for “promotions” to supervisory or management positions. In the Marine industry and in particular within the Coast Guard and DND, the basic classification difference lies between the Ships’ Crews represented by PSAC and the Officers working as Engineers or Deck Officers in charge of both the crew and the vessel represented by the Guild.

Unfortunately, due to differing compensation awards over past years as between the Ships’ Crews and Officers the wage gap between them is shrinking to the point that there is no longer any significant or appropriate financial incentives for Ships’ Crews to consider applying for internal promotions or seek to improve their qualifications to become Officers. This was once a very clear career path but is no longer.

Similarly, this narrow and inappropriate gap discourages new recruits from enrolling in the Coast Guard College program, which will allow them to graduate as Officers but takes 4 years to complete. That option is less attractive when they can simply apply for a Ships’ Crew vacancy where the necessary requirements for the minimal qualifications take only a few weeks to complete. The Guild requests that the Board correct this inequity.

It is trite within Classification and Compensation considerations that a wage gap is essential between supervisors and those they supervise in order to reflect the additional skill, knowledge, responsibility and accountability that is required of the supervisory group.

In 1986 much of the existing classification standards and compensation levels were being established. The Federal Pay Research Bureau set the appropriate compensation levels for Officers and Crew in comparison with private industry. These levels were used to establish relativity as between classifications and compensation packages for officers and crews. At that time the Bureau set the benchmark differential between an MAO-03, a Master on a Class A-2 vessel and the next highest ranked Deckhand (DED-4) who would be required to report to that Master, at just over twenty percent (20%).

Now, nearly forty (40) years later, even though the traditional duties and responsibilities have not changed with respect to the operation of the vessel for officers and crews, that differential has shrunk significantly.

As set out in the Guild's Introduction, in the previous interest arbitration award for Ships' Officers, Arbitrator Baxter acknowledged the disparity with the Ships' Crew, particularly the 5% market adjustment that the Ships' Crew received on August 5, 2016, prior to any economic increases. Arbitrator Baxter took this adjustment into account when fashioning the market adjustment awarded to Guild members effective April 1, 2017. Since then, however, the Ships' Crew recently achieved a 4% market adjustment effective August 5, 2023.

If the Employer's proposed wage increases are awarded, the differential with the Ships' Crew will shrink noticeably and will result in Officers supervising Crew who either earn more than them or only slightly less. For instance, Ships' Officers at MAO-03 or MAO-04 can be and are assigned to Watch duty in the Captain's absence. In those circumstances, they are the Captain's representative and are responsible for making decisions on board the vessel. The MAO-03 or MAO-04 outrank the Ships' Crew SC-05 and there are some circumstances where the Ships' Officer may have to give the Ships' Crew orders. In these circumstances, the Guild submits that it is appropriate for a wage differential to be maintained which reflects the chain of command. The Guild has prepared 2 charts showing that, without a market adjustment, the differential between the Ships Officers and Crew will shrink disproportionately throughout the term of the Collective Agreement:

- **Table 1** shows the difference in pay between Ships' Officers at step 1 of MAO-03 / MAO-04 and SC-5. In this chart, the biggest inequity is between the SC-05 and the Ships' Officer at MAO-03 step 1, i.e. a SC-05 could earn \$0.35 more per hour than the Ships' Officer MAO-03 in 2018. By 2024, this disparity will grow so that the SC-05 could earn \$1.72 more per hour than an MAO-03 Ships' Officer in 2024.
- **Table 2** shows the difference in pay between Ships' Officers at step 4 (the top step) of MAO-03 or MAO-04 and SC-05. In this example, the Ships' Officer earns more per hour than the SC-05 but the difference in their hourly rate of pay shrinks noticeably over the life of the Collective Agreement.

TABLE 1 – MAO-03 / MAO-04 (Step 1) compared to SC-05

	SO-MAO-03	SO-MAO-04	SC-05	SC-5 with layday factor	Difference between MAO-03 and SC-5 layday	Differential MAO-03	Difference between MAO-04 and SC-5 layday	Differential MAO-04
01-Apr-17	33.02	35.01						
01-Apr-18	33.94	35.99	29.31	34.29	-0.35	-1.02%	1.70	4.72%
01-Apr-19	34.69	36.78	29.95	35.04	-0.35	-1.01%	1.74	4.74%
01-Apr-20	35.16	37.28	30.35					
	35.21	37.33		35.51	-0.30	-0.85%	1.82	4.89%
01-Apr-21	35.74	37.89	30.81	36.05	-0.31	-0.87%	1.84	4.87%
01-Apr-22	36.99	39.22	31.89					
	37.45	39.71	32.29	37.78	-0.33	-0.87%	1.93	4.86%
01-Apr-23	38.58	40.90	33.26					
	38.77	41.11	34.59	40.47	-1.70	-4.38%	0.64	1.55%
01-Apr-24	39.55	41.93	35.28					
	39.64	42.03	35.37	41.36	-1.72	-4.33%	0.67	1.60%

TABLE 2 – MAO-03 / MAO-04 (Step 4) compared to SC-05

	SO-MAO-03	SO-MAO-04	SC-05	SC-5 with layday factor	Difference between MAO-03 and SC-5 layday	Differential MAO-03	Difference between MAO-04 and SC-5 layday	Differential MAO-04
01-Apr-17	36.99	39.10						
01-Apr-18	38.03	40.19	29.31	34.29	3.74	9.82%	5.90	14.69%
01-Apr-19	38.86	41.08	29.95	35.04	3.82	9.84%	6.04	14.70%
01-Apr-20	39.39	41.63	30.35					
	39.45	41.70		35.51	3.94	9.98%	6.19	14.84%
01-Apr-21	40.04	42.32	30.81	36.05	3.99	9.96%	6.27	14.82%
01-Apr-22	41.44	43.80	31.89					
	41.96	44.35	32.29	37.78	4.18	9.96%	6.57	14.81%
01-Apr-23	43.22	45.68	33.26					
	43.43	45.91	34.59	40.47	2.96	6.82%	5.44	11.85%
01-Apr-24	44.30	46.83	35.28					
	44.41	46.94	35.37	41.36	3.05	6.87%	5.58	11.90%

External relativity with the Private Sector

In order to recruit new Ships' Officers and retain both new College graduates as well as experienced, long service Ships' Officers, the Federal Government must be able to compete with the rates of pay offered in the private sector.

The Coast Guard's own internal documents show they are aware that external Employers have recognized the worldwide Officer shortage and some have already taken dramatic steps with respect to the financial incentives offered as part of their headhunting efforts.

See TAB 9 Western Region Fleet Personnel Risks, slide 4

Unfortunately, as the Board will see from the examples set out below, the Federal Government's rates of pay are not sufficiently competitive and the Officer shortage is only worsening as a result. On the West Coast where the Coast Guard is experiencing a particularly acute shortage of Engineering Officers on their Search and Rescue Motorized LifeBoats, the Coast Guard has even gone so far as to lower the qualifications for the Crew complement. This unilateral action during a statutory freeze has not only resulted in a complaint to the Board but also means that the MLB's are legally prevented from going beyond 25 nautical miles from the coastal shore, an artificial and hazardous limit for a service expected to provide maritime search and rescue services to mariners in distress.

For each of these comparisons, the Guild has applied the Employer's proposed economic increases to the MAO (Appendix A) rates of pay for 2018, 2019, 2020, 2021 and 2022 to determine what the new applicable top MAO rate of pay would be in 2022 and has compared it to the top private sector rate of pay for 2022. These comparisons were accepted by the Baxter Board as being appropriate "apples to apples" comparisons.

Comparison with Maersk in 2022

Maersk Line touts itself as the world's largest shipping company. The Guild has two (2) Collective Agreements with Maersk Supply Service Canada covering the operation of vessels in the East Coast of Canada and limited foreign voyages as required, one for Masters (Captains)

and Chief Engineers, and another one for Deck and Engineering Officers. The Maersk Collective Agreements expired December 31, 2022.

As the Board will see from the comparisons below, Offices working for Maersk holding similar positions to those in the Coast Guard can earn anywhere from \$3.45 to \$13.92 more per hour.

Officer position	Maersk Nexus	Coast Guard Equivalent MAO		Difference	Maersk Clipper	Coast Guard equivalent MAO		Difference
		MAO				MAO		
Master	79.02	MAO 11	69.33	-9.68	79.02	MAO 12	75.57	-3.45
Chief Engineer	76.87	MAO 10	62.94	-13.92	76.87	MAO 11	69.33	-7.54
Chief Officer / Senior Engineer	64.09	MAO 07	51.00	-13.09	64.09	MAO 08	53.65	-10.44
1st Officer / 2nd Engineer	57.83	MAO 05	47.09	-10.75	58.83	MAO 05	47.09	-11.74

Comparison with BC Ferries in 2022

BC Ferries is one of the largest ferry operators in the world, providing year round passenger service on 25 routes to 47 terminals with a fleet of 39 vessels moving more than 22 million passengers and 8 million vehicles every year.

<https://www.bcferrries.com/our-company>

BC Ferries provides only one rate of pay meaning that new hires immediately earn a highly competitive rate of pay. In contrast, newly hired Officers working for the Coast Guard have to wait several years to earn a comparable rate of pay.

As the Board will see from the chart below, the Guild has done two (2) calculations, the difference between the BC Ferries rate of pay and the comparable top Guild rate of pay and the difference between the BC Ferries rate of pay and the comparable starting Guild rate of pay. In all instances, Officers earn more working for BC Ferries although the difference is more stark at

the front end as an Officer starting their career with BC Ferries in 2022 can immediately earn anywhere from \$2.60 more per hour to \$14.48 more per hour compared to starting rates with the Federal Government.

BC Ferries Oct 2022		Coast Guard Equivalent MAO 2022	Top rate	Top rate diff	Start rate	Start rate diff
Master Minor vessel	53.26	MAO 06	49.12	-4.14	44.31	-8.95
Chief Engineer	56.68	MAO 05	47.08	-9.6	42.2	-14.48
1st Engineer - Large vessel	52.71	MAO 08	53.65	0.94	48.39	-4.32
Chief Officer - Spirit Vessel	52.71	MAO 08	53.65	0.94	48.39	-4.32
Third Engineer - Spirit vessel	46.87	MAO 04	44.27	-2.6	39.64	-7.23

Even though the top MAO-08 rate might catch up to the BC Ferries 1st Engineer and Chief Officer rate by 2022, the starting MAO-08 rate is still significantly lower and, even if the Employer's proposed economic increases are applied for 2023, 2024 and 2025 it will not catch up to the BC Ferries 2022 rate. In other words, the Employer's proposed increases will not make Coast Guard rates of pay competitive with BC Ferries.

These comparisons are borne out by the Employer's internal documents which show that Coast Guard is not providing a competitive wage specifically in comparison to BC Ferries who not only offer more per hour but are also offering signing bonuses and funding for any penalties owed as a result of breaking contracts with another Employer.

See TAB 9 Western Region Fleet Personnel Risks, slides 4, 6

The Guild will comment further on the pay disparity with BC Ferries in its submissions for a market adjustment in 2023.

Comparison with Altera (Atlantic) Management ULC (formerly Teekay) in 2022

Altera operates a fleet of shuttle tankers that transport crude oil from the offshore production facilities that operate on the Grand Banks of Newfoundland and Labrador. The Guild holds a Collective Agreement for the Masters and Chief Engineers working for Altera as well as another Collective Agreement for the deck, engineering and electrical Officers employed by Altera. The Board will see from the chart below, Officers working for Altera can earn much more than they can earn with the Federal Government.

Officer Position	Altera	Coast Guard Equivalent MAO		Difference in 2022
Master	105.42	MAO 12	75.57	-29.85
Chief Engineer	101.72	MAO 12	75.57	-26.15
Chief Officer / 1st Engineer	78.84	MAO 08	53.65	-25.19
2nd Officer / 3rd Engineer	55.48	MAO 04	44.27	-11.21
Electrical Officer	72.37	MAO 07	51	-21.37

Comparison with Cancrew in 2022

As the Board can see, the rates of pay offered by the Coast Guard continue to lag significantly behind the rates of pay offered by Cancrew, particularly at the higher levels.

Wage Comparison	Cancrew Enterprises Limited Umiak 1	Coast Guard Equivalent MAO Level	Difference
Master	\$85.11	MAO 12 \$75.57	-\$9.54
Chief Engineer	\$81.82	MAO 12 \$75.57	-\$6.25
Chief Officer/ 1 st Engineer	\$70.34	MAO 8 \$53.65	-\$16.69
1 st Officer/ 2 nd Engineer	\$57.57	MAO 5 \$47.08	-\$10.49
2 nd Officer / 3 rd Engineer	\$49.50	MAO 4 \$44.27	-\$5.23
3 rd Officer / 4 th Engineer	\$44.01	MAO 3 \$41.88	-\$2.13

Please see **TAB 48** for a chart setting out the economic increases in relation to other Guild Collective Agreements in the private sector.

High Inflation

Inflation has skyrocketed in 2022 and 2023 to the highest that it has been in decades and, as a consequence, workers have seen a real and tangible hit to their purchasing power.

The 2023 Food Price Report, an annual publication by Canadian researchers, predicted that the cost of feeding a typical family of four would cost more than \$14,000 in 2021, an increase of \$966 from the previous year's level and the biggest one-year jump in the 12 year history of the report. While the report was criticized as alarmist, it proved to be an *under* estimation of the cost of groceries as the annual grocery bill for 2022 actually cost just over \$15,000 to feed a family of four. It is expected that the trend towards increased food costs will continue so that the cost to feed a family of four will rise to more than \$16,000 in 2023.

There is no question that consumers across Canada have felt the impact of the high cost of inflation in every aspect of their lives from mortgages to buying groceries. The cost of purchasing basic grocery items has risen anywhere from a 14% year over year price increase for fresh fruit and vegetables to a 17% year over year price increase for pasta products.

See TAB 49 "Which food cost more in July", *CTV News*, August 15, 2023

Statistics Canada notes that as of May 2023, the year over year price of groceries rose 9 percent, followed by a 9.1 percent increase in June 2023 and a slightly lower 8.5% increase in July 2023.

See TAB 50 "*Hoping for a break on your grocery bill next year? Don't bank on it, new report suggests*", *CBC*, December 5, 2022

Reports suggest that "food inflation" is almost twice as much as the overall inflation rate. This means that, while increases to the overall inflation rate are expected to slow, increased food costs are expected to continue. As of July 2023, the inflation rate for groceries is 8.5%.

See TAB 51 "*Food keeps getting more expensive even as overall inflation slows*", *CBC*, October 20, 2022

As Arbitrator Shime stated in *Re British Columbia Railway Company*,

It is important, however, to consider the cost of living standard as a maintenance standard. It is intended to maintain the position of the employees relative to the balance of the economy. In many respects it keeps jobs at a stationary level rather than advancing them. To put it simply, a position valued at \$10,000.00 in an economy where the cost of living is increasing by 10 per cent annually should be valued at \$11,000.00 in the subsequent year.

Inflation proved to be a huge issue in 2022 and 2023 alike. Although the rate of inflation has recently started to decrease; in July of 2023 it rose once more to 3.3%, which is above the market expectation of 3%. The Bank of Canada expects interest rates to hover around 3% for the next year before steadily declining to the 2% target mid-2025.

See TAB 52 “Inflation falls into the Bank of Canada’s target range. Are rate hikes done?” *Global News*, July 18, 2023

As Arbitrator Hayes stated in *Re Homewood Health Centre Inc. v UFCW Local 75*, 2022 CanLII 49154,

The negative impact of inflation on wage rates is now so pronounced that the issue should not be punted downfield.

See TAB 53 *Re Homewood Health Centre Inc. v UFCW Local 75*, 2022 CanLII 49154

Arbitrator Hayes noted that by March 2022, CPI statistics disclosed “the largest year over year increases seen since January 1991” and that the “relevant question is what to do with this information not whether to consider it”. Furthermore, “to defer this issue to future bargaining would render their recent inflationary losses permanently unrecoverable for all practical purposes.”

Workers in all sectors have become increasingly vocal about their wage demands in the face of skyrocketing inflation. Of note in Ottawa are the recent strikes by more than 150,000 federal

public servants who walked off the job for several weeks this spring. As a result of their job action, the federal government agreed to compounded wage increases of 12.6% over 4 years plus a one-time pensionable amount of \$2,500.

See TAB 54 Canada Revenue Agency, union reach deal to end strike

In an effort to address the very real effects of inflation, there has been an upward trend to economic increases, both through negotiated collective agreements and those awarded through arbitration.

As Arbitrator Kaplan recently stated in *Society of United Professionals v Ontario Power Generation*, the increase in inflation is not transitory. On the contrary, “inflation is entrenched and even if it now begins to abate, inflationary increases are baked in and have significantly affected real wages of employees...”. While it hit a high watermark of around 8.1% in June, 2022, it has remained higher than it has been in years and the impact that it has had on the price of consumer goods and services, as well as the purchasing power of workers is real and sustained. In particular, the surge in food prices has been so pronounced that it attracted national attention and public promises from the heads of various grocery chains to take action in order to avoid threatened federal tax measures.

See TAB 55 *Ontario Power Generation v The Society*, 2023 CanLII 37956

See TAB 56 “Grocery heads agree to ‘support’ Ottawa’s efforts to ‘stabilize foodprices’”, Global News, September 18, 2023

The Union’s position is that current inflation rates are so extreme that higher than usual economic increases are justified, particularly in light of the recruitment and retention issues facing this Employer.

Request for a Market Adjustment of 8% effective April 1, 2023

In addition to general economic increases, the Guild is seeking an across the board market adjustment of 8% retroactive to April 1, 2023. This adjustment is necessary in order to ensure that the Employer remains competitive with the private sector and is able to recruit and retain the expertise of qualified and experienced Ships’ Officers. Without these Officers, more and more vessels will be tied up which undermines the entire purpose of vessels operated by both the Coast Guard and DND.

As set out in the Employer’s internal documents, the West Coast is facing a severe shortage of Ships’ Officers. One of Coast Guard’s key competitors on the West Coast is BC Ferries which recently signed a renewal Collective Agreement to 2025. The last two (2) years of this renewal Collective Agreement provide for wage re-openers. If BC Ferries wages increase by 1.5% and 1.5% achieved effective October 2023 and October 2024 and both the Guild’s economic increases and Market Adjustment are awarded, the wage gap with Coast Guard will finally close in all but the Chief Engineer vessel positions:

Officer Position	BC Ferries Oct 2022 2%	MAO 2022 based on 7.5%	BC Ferries Oct 2023 wage reopener – based on 1.5%	MAO 2023 based on 5% + 8%	BC Ferries Oct 2024 wage reopener – based on 1.5%	MAO 2024 based on 4.5%
Master Minor vessel	53.26	50.41	54.06	56.96	54.87	59.52
Chief Engineer	56.68	48.32	57.53	54.60	58.39	57.06
1 st Engineer – Large vessel	52.71	55.06	53.50	62.22	54.30	65.02
Chief Officer – Spirit Vessel	52.71	55.06	53.50	62.22	54.30	65.02
Third Engineer – Spirit Vessel	46.87	45.43	47.57	51.34	48.29	53.65

If the Guild’s proposed increases are not awarded, the pay disparity with BC Ferries will continue.

Turning to another significant private sector competitor, if the Guild’s proposed increases are compared to Altera, the wage gap remains but is significantly narrowed:

Officer Position	Difference in 2021	Altera 2022	MAO 2022 7.5%	Altera 2023 based on 1.5%	MAO 2023 5% + 8%	Altera 2024 based on 1.5%	MAO 2024 4.5%	Difference in 2024
Master	-\$31.73	105.42	77.55	107.01	87.63	108.61	91.58	-17.04
Chief Engineer	-\$28.08	101.72	77.55	103.25	87.63	104.80	91.58	-13.22
Chief Officer / 1st Engineer	-\$26.45	78.84	55.06	80.02	62.22	81.22	65.02	-16.20
2nd Officer / 3rd Engineer	-\$12.40	55.48	45.43	56.31	51.34	57.15	53.65	-3.51
Electrical Engineer	-\$23.32	72.37	52.34	73.45	59.15	74.55	61.81	-12.75

For all these reasons, the Guild submits that its requests for economic increases that are higher than the pattern as well as a market adjustment effective April 1, 2023 are reasonable and justified. The Guild requests that the Board award its proposal.

Comments on the Guild’s Request for a COLA re-opener for 2025-2026

Guild members have been without a Collective Agreement for more than five (5) years and both parties want stability and certainty which is why they have agreed to a duration extending into 2026.

For all the reasons that are set out above, the Guild is seeking an economic increase of 4% effective April 1, 2025 plus a COLA re-opener in the event that CPI ending January 31, 2025 is over 4%.

Only a few groups have negotiated settlements that include 2025-2026. Those groups are set out below:

Union	Group	Increases
ACFO	Comptrollership	2%
CAPE	Economics and Social Science Services	2%
CAPE	Translation	2%
CUPE 104	Law Enforcement & Police Operations Support	2% .25% wage adjustment
PAFSO	Foreign Service	2%

The Guild respectfully submits that none of these groups are facing a severe recruitment and retention issue. The Guild further submits that many of the private sector comparators with whom the Guild has negotiated Collective Agreements contain increases over 2% along with COLA reopeners.

For all these reasons, the Guild requests that the Board award its proposal.

APPENDIX D – INSTRUCTORS SUB-GROUP RATES OF PAY

Guild Proposal

Appendix D sets out the annual, weekly and hourly rates of pay for the Instructors at the Canadian Coast Guard College. Currently, there are six (6) Steps or increments that an Instructor can move through before reaching the top rate of pay. The Guild is proposing to move to a 2 Step system. The primary reason for the Guild's request, which will be elaborated on in more detail below, is to address the recruitment and retention issue that has been plaguing the Coast Guard College for some time. The Guild's Proposal to amend the pay grid for the Instructors is set out below:

1. Prior to any general wage increase:
 - a. Eliminate Steps 1 through 6 of the rates of pay;
 - b. Replace INS 01 Steps 7 and 8 with equivalent of SO MAO 11 steps 3 and 4;
 - c. Replace INS 02 steps 7 and 8 with equivalent of SO MAO 12 steps 3 and 4;

See TAB 57

Schedule D – INS Wage grid

2. General wage increases, in accordance with the Guild's proposal for general wage increases, as follows:
 - a. April 1, 2018 3%
 - b. April 1, 2019 3%
 - c. April 1, 2020 3%
 - d. April 1, 2021 3%
 - e. April 1, 2022 7.5%
 - f. April 1, 2023 5% plus a market adjustment of 8%
 - g. April 1, 2024 4.5%
 - h. April 1, 2025 4% plus COLA re-opener in the event that CPI ending January 31, 2025 is over 4%

DISCUSSION

Who are the Nautical Instructors at the Canadian Coast Guard College?

There are now two groups of Instructors under Appendix “L” (the “INS” group) at the College. Up until a few years ago, all Guild Instructors were “nautical” Instructors who were required to hold Certificates of Competency and were qualified Ships’ Officers. In addition to these nautical Instructors, the Coast Guard also had Instructors who taught more traditional subjects such as French, physics, math etc. This latter group of Instructors were classified as “ED”. In 2020, however, the Coast Guard underwent a re-organization and the ED Instructors who taught Cadets were re-classified as INS-01 under the Guild’s Collective Agreement.

The Guild’s submissions will focus on the nautical Instructors as they are affected by the same worldwide shortage of Officers that affects the Fleet. The nautical Instructors are all highly qualified and experienced Officers employed in the Canadian Coast Guard. They have very high levels of qualifications which can include a Master Mariner Certification or a First Class Engineering Certification. Should these Instructors be assigned to operational duties as a Commanding Officer or Chief Engineer onboard a Coast Guard vessel they would receive the Extra Responsibility Allowance (‘the ERA’) under Appendix G.

These high certification levels are granted only after considerable experience at sea and after successful completion of exams offered by Transport Canada in both Advanced Navigation and Marine Engineering, consistent with international standards. Furthermore, all Instructors of the Canadian Coast Guard College are required to complete specific Training Instructor courses offered by the College itself. This is to ensure that proper instruction methods, course objectives and lesson plans are adhered to so that Officer Cadets enrolled in the various programs receive the highest quality instruction.

The Instructors at the Canadian Coast Guard College deliver all of the courses for the four (4) year Officer Cadet Training Program (OCTP) which, at its conclusion, provides certification and recognized university degrees in either Marine Navigation or Engineering. The Cadet program is a combination of four (4) academic years, with certain periods of time spent at sea, but the majority of time spent in the classroom or other similar instruction at the Canadian Coast Guard College.

In order to teach at the College, Instructors have to do extra training and Transport Canada requires that Instructors hold at least the same level certificate as those being taught.

Therefore, all of the Instructors at the College hold high levels of certification that they achieved through years of work and training on a variety of vessels, many of which qualified them to receive the ERA while working in an operational capacity at sea.

Once they move to the College, however, they automatically lose the ERA since they are no longer working aboard one of the qualifying vessels. They lose the ERA notwithstanding that they still require the same level of experience and skills in order to be an Instructor. Depending on the MAO level, the ERA is worth anywhere from around \$11,000 per year to around \$18,000 annually. As a result, the College is no longer able to recruit senior Officers with the high level of certification required to teach its courses simply because senior Officers are unwilling to give up the ERA that has taken them years to earn. Instead, the College hires Officer retirees to teach courses requiring higher level certificates of competency. For instance, the Instructors teaching courses using one of the College's world-class simulators are required to have high level certificates of competency. The ongoing vacancies in Instructor positions demonstrate that relying on sufficient numbers of retirees being willing to re-locate to Sydney, N.S. is not a sustainable strategy. It is nonsensical that the experience and certificate level which is required by the College is identical to that which earns the ERA while at sea; however, once a senior Officer becomes an Instructor, he/she loses the ERA.

The Guild is aware of only one example where a member who was a MAO-08 earning a salary of approximately \$105,000, dropped to a salary of approximately \$85,000 upon taking an Instructor position. Due to their substantive position, their move to the college saw them start at the third step, which led to a loss of \$20,000 per year. While this individual was willing to absorb this economic loss due to other personal considerations, the ongoing shortage of Instructors at the College shows that simply hoping more Officers will be willing to take a 20% pay cut is not a sustainable staffing strategy

In recognition of the extra responsibilities and additional hours spent by Masters / Commanding Officers and Chief Engineers on certain vessels, the Employer provides additional compensation in the form of the Extra Responsibility Allowance. The Guild is seeking, through

the restructured pay grid, to ensure that the College's Instructors are similarly compensated for their years of experience and high levels of certification.

Normal compensation principles require that all positions requiring the same qualifications and education should receive similar compensation.

It is becoming increasingly difficult to recruit and retain Instructors. The Nautical Science department has had difficulty recruiting staff with the necessary knowledge and experience to teach all of the courses offered at the College.

Currently, there are two (2) positions posted at the College, both of which have closing dates in 2024:

- Marine Engineering Instructor; and
- Maritime Navigation Instructor.

See TAB 58 Marine Engineering Instructor and Maritime Navigation Instructor

The College previously had some success in recruiting Instructors from Transport Canada. These Inspectors typically hold the highest Certificates of Competency at the Master Mariner or First-Class Engineer level. Their job had been to conduct regular inspections of vessels so they needed to hold at least the same level of certification as the Captain whose vessel they were inspecting. There are also examples of Ships' Officers moving over to Transport Canada to work as Inspectors. While the College was able to hire from Transport Canada in years past, the rates of pay are no longer competitive. For instance, the current pay for Marine Inspectors at Transport Canada, ie. for a TI-07 has gone up to \$131, 500 annually and TI-08 to \$144,500 annually. It has been reported to the Guild that Instructors will be applying for Transport Canada positions if Coast Guard College rates of pay do not prove competitive.

Currently, the top rate for INS-01 is \$116,479 and \$126,022 for INS-02, neither of which is competitive with Transport Canada.

There remain vacancies that the College is unable to fill. For instance, there are perpetually two vacant INS 01 positions in the Navigational Studies group.

See TAB 59 Coast Guard College Organizational charts

As noted throughout this Brief, “recruitment” is the key and most important issue to be addressed. Unfortunately, the compensation associated with the INS position is not sufficient to keep even existing Guild Officers in this critical position

The Instructor subgroup in the Guild membership, has been a highly dedicated, highly educated and motivated group of officers who are engaged in the very important function of training and educating the next generation of recruits needed to replace the aging workforce at the Coast Guard.

The Guild submits that the INS group has for too long been unrecognized and underpaid for their dedication and long hours spent in their important role at the Canadian Coast Guard College. The Instructors have freely provided their own time and services to ensure that future Officers of the Coast Guard have the skills and training demanded by the Canada Shipping Act to provide the services Canadians need and require to save lives and protect our coastlines.

In addition to providing their own time and services, Instructors have been required to take on two roles due to gaps created by the rise in acting assignments, leading to a “domino” effect. For example, in 2023, the Executive Director has been acting in two separate roles. In their absence, someone must fill this EX-02 position, which is always replaced by an EX-01 or AS-07. In turn the EX-01 position is replaced by one of the heads of department at the College, usually an SO-INS-02. Instructors are then acting in the Department Head’s position, leaving a temporarily vacant Instructor position which means that another Instructor must take on those duties, without any additional compensation.

Finally, the Guild submits that this bargaining demand is critical to the future of the Coast Guard and necessary to respond to the recruitment and retention crisis that has been outlined throughout this Brief. Without sufficient qualified Instructors in the INS group, any new recruitment initiatives that the Employer may wish to initiate for the future will not be successful.

For all these reasons, the Guild is requesting a restructuring of the Instructor wage grid that would see the elimination of Steps 1 through 8 of the wage grids INS-01 and INS-02 and replace it with Steps 3 and 4 of the MAO-11 and MAO-12 wage grids respectively.

Given the number of Instructors affected, the cost of awarding the Guild's proposal in this Collective Bargaining round is minimal. Given the key role the INS Group plays in the future of the Coast Guard and the significant recruitment and retention issues facing the College, the Guild requests that the Board award its proposal.

APPENDIX E – CANADIAN COAST GUARD OFFICER CADETS

GUILD PROPOSAL

1. The provisions of Article 10: check-off, Article 11: officers' representatives, Article 13: information, Article 14: information for officers, Article 15: provision of bulletin board space, Article 18: grievance procedure, Article 22: sick leave with pay, Article 26: safety and health, when an officer cadet is serving aboard a vessel during his sea training period, and Article 28: marine disaster, of the Ships' Officers collective agreement signed on June 26, 1991, shall apply to Canadian Coast Guard officer cadets.
2. Canadian Coast Guard officer cadets shall continue to be provided with meals and quarters, either in cash or kind, in accordance with the policy of the employer in effect on this date.
3. Canadian Coast Guard officer cadets shall earn vacation leave at the rate of one and two-thirds (1 2/3) days per month, which leave may be scheduled by the employer at any time during the academic year in which it is earned or during the summer immediately following. In addition, a cadet may be granted up to two (2) additional days per year for purposes of travel and may be reimbursed his/her actual and reasonable travelling expenses for one trip per year from his/her place of duty to the place of his/her permanent residence and return, less twenty-five dollars (\$25.00).
4. The Guild recognizes that, in accordance with the contract between Her Majesty the Queen and each officer cadet, a cadet has an obligation to complete his/her training at the Canadian Coast Guard College and to serve in Her Majesty's service for a minimum of four (4) years following graduation from the college. In the event that a cadet should withdraw or be removed from the cadet training plan or abandon his/her commitment to serve for four (4) years following graduation, the cadet may be required to repay the total amount of monthly allowance received by him/her less the allowance paid to him/her in the first six (6) months of the training period, or such lesser amount as Her Majesty may determine.
5. A cadet shall receive a training allowance as set out below:

Monthly allowance (in dollars): Effective date of Award \$800

Duration	April 1, 2013
1 st period (August 1 to June 30)	375
2 nd period (July 1 to June 30)	443
3 rd period (July 1 to June 30)	511
4 th period (July 1 to June 30)	581

(arbitral award: effective April 1, 2013)

6. Where a cadet proceeds on sea training he/she shall receive, in addition to the allowance specified in paragraph 5 above, a monthly sea training allowance as set out below:

Monthly sea training allowance (in dollars)

Duration	April 1, 2013 Effective date of Award
1 st sea training period	1127 \$1550.81
2 nd sea training period	1602 \$2205.85

~~(arbitral award: effective April 1, 2013)~~

This monthly sea training allowance shall be pro-rated on a calendar day basis if the sea training period does not start at the beginning of or terminate at the end of a calendar month. This monthly allowance shall be pro-rated on a calendar basis to take into account any time when the cadet is on leave with or without pay.

The sea training allowance recognizes that a cadet is required to undertake practical assignments during and outside normal hours.

DISCUSSION

Individuals who wish to apply to the Officer Cadet Training Program at the College submit applications through the Government of Canada's hiring process. If their academic transcripts pass the initial screening process, they may be invited to complete a written exam and interview. If they pass that process, they will receive a conditional letter of offer where they have to meet certain requirements, such as obtaining security clearance and passing a medical examination. If they successfully meet those requirements, they will receive an official letter of offer accepting them into either the Marine Navigation or Marine Engineering program at the College. Once accepted, they are considered as employees in the Officer Cadet Training Program.

While Officer Cadets are enrolled in the four (4) year program at the College, they receive a basic monthly allowance throughout the four (4) years and, once they are enrolled in the "sea training" portion of the program, they also receive a "sea training" allowance. There are two (2) sea training phases, both lasting seven (7) months for a total of fourteen (14) months of sea training.

For the first year of enrollment at the College, the "1st period" (or first year), the current monthly allowance is only \$375 per month. It increases by \$68-70 each year until the final year (the "4th period") when the basic monthly allowance reaches \$581 per month. The Guild proposes to

delete the incremental allowances and replace it with a monthly allowance of \$800 per month for each year.

If Cadets are living at the College, single room accommodation and board are provided but Cadets are responsible for any other personal expenses such as cell phones, personal clothing, winter boots and jackets, and personal hygiene products. The College itself is located across the bay from downtown Sydney so shops are not within walking distance.

The demographic of students attending the College has changed over time and more mature students are now attending the College. These mature students often have families and family accommodation is not provided at the College. Therefore, these older applicants with families must find and pay for accommodation and living expenses outside the College. Sydney's population is only just over 30,000 residents and affordable housing is a serious issue. The current allowances are simply not sufficient to pay for rental accommodation in or near Sydney, Nova Scotia.

See TAB 60 Off Campus Housing, Cape Breton University

The Coast Guard also provides an allowance to Officer trainees in the Marine Communications and Traffic Services (MCTS) program at the College. These trainees live in the same accommodations and use the same cafeteria as the Officer Cadets. The trainees are members of UNIFOR 2182 (Radio Operations). During Phase I of the trainees' program, which lasts 25 weeks, trainees are paid an allowance of \$350 per week less statutory deductions and \$90 per week is deducted for their meals and accommodations at the College. Their biweekly net pay is \$447.37 which works out to more than double the amount earned monthly by Officer Cadets. Student trainees who complete the MCTS program at the College are then appointed to the RO-01 group and must successfully complete a 4 to 12-month work placement in an MCTS centre.

See TAB 61 INVENTORY: Marine Communications and Traffic Services (MCTS)
Officer, Ab-initio Trainee

The only other federal Officer Cadet program is that of the RCMP although it is not a degree granting program. In 2008, the RCMP began paying its Officer Cadets \$500 per month for the duration of the 24 week training program as it was one of the few police training services that

did not pay cadets and it was losing recruits to other services like Toronto Police who paid recruits starting at \$45,042 per year and Cadets in the OPP earned \$32,436 per year.

See TAB 62 “Government ends unpaid training for RCMP cadets”, CBC News, June 20, 2006

The only similar “Officer Cadet” degree granting program outside of the Core Public Administration is the Royal Military College of Canada (‘the RMC’). Similar to the Coast Guard College, the RMC also provides its Cadets with free tuition and books. In addition, Officer Cadets are paid an annual salary *starting* at \$30,200. After the expense of room and board is deducted, Officer Cadets are left with more than \$1,000 per month in spending money.

See TAB 63 Regular Officer Training Program, CAF

The monthly allowances paid to Officer Cadets at the Coast Guard College have not been increased in just over a decade and the Guild submits that an increase to both the monthly basic allowance and the sea phase training allowance is necessary to reflect the increased cost in living and to ensure that the College remains competitive and can increase the number of Officer Cadet recruits. The Guild proposes that amended allowances be implemented as of the date of the Award.

The Guild’s rationale for seeking an allowance of \$800 month, with the same rate applying throughout each year of training, is based on federal minimum wage. As of April 1, 2023 it is \$16.65 per hour, and this amount applies to interns. Unlike students attending other college or university programs, Officer Cadets are not permitted to hold part-time jobs but the Guild submits that many students enrolled at other colleges or universities hold part-time jobs and it would not be unusual for them to work around 12 hours per week so that they could earn around \$800 per month. The costs of incidentals have increased significantly over the past several years, and the current allowance makes it difficult to attract and retain recruits.

The Guild has applied a similar rationale to the sea training allowance. With respect to the sea training phase, the increase being proposed is \$1551.81, representing an increase of \$424.81 for the first sea training period and \$2205.85, an increase of \$603.85 for the second sea training

period. During the sea training phase, Cadets are expected to work 40 hours per week, and depending on the vessel and schedule, they could be at sea for weeks at a time. They work alongside Officers and participate in operations alongside the rest of the crew. This allowance recognizes and remunerates Cadets for working full-time hours and that they may have an unpredictable schedule. The Cadets are effectively full-time employees during this time and, at 40 hours per week, the amounts being sought by the Guild are still below the minimum wage rate.

The demands of the Officer Cadet program are rigorous. Officer Cadets can earn different ranks ranging from Class leaders, Leading cadets, Cadet captains, Senior Cadet Captains to the highest rank of Chief Cadet Captain who will be in charge of the entire Officer Cadet body and report directly to the Liaison Officer. All Cadets are expected at all times, both on-shore and on-board, to conduct themselves with integrity and decorum and in accordance with the Coast Guard's Code of Conduct. In addition, the program encourages Officer Cadets to participate in organized clubs and extracurricular activities as well as to become involved in community events to develop their social and leadership skills. The four year Officer Cadet program is mentally and physically challenging and requires a high level of commitment from each Officer Cadet as they prepare to become Ships' Officers.

Increasing the Cadet allowance assists with the Coast Guard's needs in two ways. Firstly, as set out above, an allowance that more accurately reflects cost of living will make entering the College more attractive and assist with recruitment. Secondly, increasing the allowance also assists the Employer in retaining graduates and decreases the likelihood they will be poached by other employers.

Paragraph 4 of Appendix E states that graduates are required to "serve in Her Majesty's service for a minimum of four (4) years following graduation from the college." It also provides that if the Cadet abandons this commitment i.e. accepts work for another employer they may be required to repay most of their monthly allowances.

See Tab 64 CMSG and TBS Collective Agreement expiry 2018, Appendix E, paragraph 4

Increasing the allowances therefore increases a graduate's incentive to stay and honour their commitment. The Coast Guard flagged in a recent internal document that, at the current allowance rates, other employers in the Western Region, including B.C. Ferries are offering to cover these claw-back costs as part of their recruiting tactics. Increasing the allowances makes such offers more expensive and therefore less likely to be made.

See Tab 9 CCG Western Region Personnel Risks

For all these reasons, the Guild requests that the Board award its proposal to increase the Cadet allowance on a go forward basis.

APPENDIX G – EXTRA RESPONSIBILITY ALLOWANCE

GUILD PROPOSAL

Appendix G - Extra Responsibility Allowance

This allowance is paid to officers described in this appendix in recognition of the additional responsibilities involved in the performance of the regular duties of the position. This also recognizes that, notwithstanding the hours of work and overtime provisions of the agreement, the normal hours for officers identified by this appendix extend beyond those described by the hours of work and overtime provisions.

1. An officer assigned as master/commanding officer or chief engineer on “C” class vessels and above, or as master/commanding officer or chief engineer on Department of National Defence Glen Class tugs **and Naval Large Tugs (NLTs)** and “S” class torpedo and ship ranging vessels, or as a DND dockyard pilot shall be paid an extra responsibility allowance based on the sub-group and level prescribed in his/her certificate of appointment, as follows:

Extra responsibility allowance (in dollars)

Sub-group and level	April 1, 2013 April 1, 2018
SO-MAO-12	17,587 24,137.57
SO-MAO-11	16,135 22,156.99
SO-MAO-10	14,654 20,120.26
SO-MAO-9	13,442 18,454.18
SO-MAO-8	12,490 17,143.78
SO-MAO-7	11,870 16,293.89
SO-MAO-6	11,433 15,702.34
SO-MAO-5	10,963 15,047.14

~~(arbitral award: effective April 1, 2013)~~

2. The employer may apply this appendix to operations or vessels other than those listed in 1 above after consultation with the Guild.
3. This extra responsibility allowance will continue to be paid to an officer assigned ashore for training purposes, or to a shore-based position on an acting basis or otherwise for any period up to a maximum of three hundred and sixty-five (365) calendar days. The officer will continue to receive the allowance only if the monthly basic pay for the position to which he/she is temporarily assigned would be less than the basic monthly pay plus the extra responsibility allowance in his/her substantive position.
4. An officer who is appointed to a position in a regional or relief pool is entitled to receive this extra responsibility allowance on the basis described in paragraph 1 during those periods which he/she is serving on a vessel
5. Notwithstanding Appendix "H", an officer working under the Lay-Day Operational Crewing System, who is in receipt of the extra responsibility allowance is entitled to earn a pro-rated lay-day for work performed during the scheduled off-duty portion of the work cycle except for the time spent during crew changeover duties.
6. The extra responsibility allowance shall be considered as part of pay for purposes of the Public Service Superannuation Act (PSSA), Disability Insurance (DI), the Public Service Management Insurance Plan (PSMIP) and severance pay (Article 29).
7. This allowance shall be paid on the same basis as the officer's pay.

DISCUSSION

The Extra Responsibility Allowance set out in Appendix G, or "ERA" as it is commonly referred to, is an allowance paid "in recognition of the additional responsibilities involved in the performance of the regular duties of the position", the positions being those set out under paragraph 1 of Appendix G. It is paid to the Commanding Officers and Chief Engineers assigned to certain classes of vessels. Those Officers in receipt of the ERA are explicitly not entitled to other usual forms of Collective Agreement entitlements and compensation that the rest of the bargaining unit is entitled to receive, namely Overtime (except for overtime worked on a day of rest), Call-back pay, Reporting pay, Traveling time (limited by Article 24.04(b)(ii)) and Security Duty pay.

There are two (2) aspects to the Guild's proposal to amend Appendix G:

1. First, the Guild proposes to add “Naval Large Tugs (NLTs)” to the list of vessels for which the Officers assigned as master/commanding officer or chief engineer would be entitled to the ERA.
2. Second, the Guild proposes to increase the amount of the allowance retroactive to April 1, 2018, the commencement of the Collective Agreement, and that the revised allowance amounts be calculated immediately after retroactive wage increases are calculated.

1. Proposal to add “Naval Large Tugs (NLTs)” to the list of vessels for which the officers assigned as master/commanding officer or chief engineer would be entitled to the ERA.

Paragraph 1 of Appendix G identifies the vessels to which the ERA applies. The Guild seeks to add “Naval Large Tugs” (NLTs) to the list.

Currently, the ERA applies to Glen Class Tugs, a class of tugboat operated by the Royal Canadian Naval Auxiliary. The Glen Class Tugs entered service in the 1970’s and there are currently five (5) of them assigned to CFB Halifax and CFB Esquimalt. These large Tugs are reaching the end of their lifespan and the Department of Defence has contracted the construction of four (4) replacement “Naval Large Tugs” as part of the National Shipbuilding Strategy.

Construction of the NLTs began in 2020 and are intended to replace the Glen-class tugs. They will perform the same functions as the Glen Class tugs but will “out power them with 60 tonnes of force that will enable them to pull and move much larger, heavier vessels, even in heavy winds and strong currents”. The plan is for the vessels to be delivered in 2023 and 2024.

See TAB 65

“More powerful tugboats coming to Auxiliary Fleet”, *Lookout Production*, Feb. 17, 2022

The same Officers that are currently assigned to the Glen Class Tugs will be assigned to the Naval Large Tugs and will be required to perform the same “extra responsibilities”. The Guild seeks to ensure that its officers assigned as master/commanding officer or chief engineer of the

NLTs remain entitled to the ERA in the same manner in which they would have been when serving aboard the Glen Class vessels.

2. Proposal to increase the ERA

The Extra Responsibility Allowance has been in the Collective Agreement since July 1, 1967. While it has undergone a couple of name changes, its purpose, as set out in the preamble of Appendix G, has always been to provide additional compensation to specified individuals:

in recognition of the additional responsibilities involved in the performance of the regular duties of the position. This also recognizes that, notwithstanding the hours of work and overtime provisions of the agreement, the normal hours for officers identified by this appendix extend beyond those described by the hours of work and overtime provisions.

As set out in the previous section regarding the proposal to add Naval Large Tugs, in order to qualify for the allowance, the Officer must occupy one of the specified classifications on one of the specified types of vessels.

When first introduced, the ERA was calculated as a percentage of the annual rate of pay and was therefore automatically increased as wages increased. It had been 18% of the final increment, which at the time was the third increment, from 1990 until 2003. In 2003, a fourth increment was added, with the 18% continuing to be calculated based on the third increment rather than being changed to apply to the final increment. The allowance continued to be 18% of the third increment until 2010 when the allowance was converted to a flat amount, equivalent to the dollar value of 18% of the third increment when the wage structure was changed from an annual rate of pay to an hourly rate of pay. There have been no subsequent increases to the ERA since 2010 and the allowance now reflects wage rates from over a decade ago.

Considering that members who are entitled to this Allowance are excluded from other usual forms of Collective Agreement entitlements and compensation that the rest of the Bargaining Unit is entitled to – namely Overtime (except for overtime worked on a day of rest), Call-Back Pay, Reporting Pay, Traveling Time, Security Duty pay, their overall compensation package is greatly reduced.

Not surprisingly, the fact that the value of the ERA has eroded over the last decade means that senior Officers are looking elsewhere for employment.

The Guild submits that the parties' previous approach, of tying the allowance to a percentage of the wage rate, simply made more sense as it ensured that the allowance being received is commensurate to the Officer's level of responsibility. As acknowledged in the preamble to Appendix G, this allowance is intended to compensate for additional hours worked and therefore linking the allowance to the Officer's hourly rate ensures that the allowance is achieving its stated compensatory purpose.

The Guild also notes that a recent Interest Arbitration Award by Arbitrator DeMont applied retroactive increases to the Senior Officer's Allowance payable to Senior Officers employed by Marine Atlantic.

See TAB 66 *Marine Atlantic v CMSG*, March 6, 2023

The Guild therefore requests that the Board award its proposal to amend the ERA and that it be retroactive to the commencement of the Collective Agreement.

ARTICLE 20 – VACATION LEAVE WITH PAY

GUILD PROPOSAL

Article 20: Vacation Leave with pay	
20.02 Accumulation of vacation leave credits	<p>Effective April 1, 2010 date of Award, an officer who has earned at least eighty (80) hours' pay during any calendar month of a vacation year shall earn vacation leave credits at the following rates provided he/she has not earned credits in another bargaining unit with respect to the same month:</p> <ul style="list-style-type: none"> A. fourteen decimal six seven (14.67) hours per month until the month in which the anniversary of his/her sixteenth (16th) fifteenth (15th) year of continuous employment occurs; or B. fourteen decimal six seven (14.67) fifteen decimal three three (15.33) hours per month commencing with the month in which his/her sixteenth (16th) fifteenth (15th) anniversary of continuous employment occurs; or C. fifteen decimal three three (15.33) hours per month commencing with the month in which his/her seventeenth (17th) anniversary of continuous employment occurs; or D. sixteen decimal six seven (16.67) hours per month commencing with the month in which the officer's eighteenth (18th) anniversary of continuous employment occurs; or E. eighteen (18) hours per month commencing with the month in which the officer's twenty-fifth (25th) anniversary of continuous employment occurs; or F. twenty (20) hours per month commencing with the month in which the officer's twenty-eighth (28th) anniversary of continuous employment occurs.

DISCUSSION

The last time that Guild members saw an improvement to their vacation leave was more than a decade ago in April 2010.

The Guild is seeking modest improvements to the vacation schedule so that:

- a) On hire, Officers will receive a slight improvement to their vacation leave of an additional .67 hours per month until they reach 15 years of continuous employment;
- b) The next improvement to vacation leave will take place at 15 years of continuous employment rather than the anniversary of 16 years of continuous employment; and
- c) a new vacation plateau would be added for Officers who have 25 years of continuous employment.

Being a Ships' Officer is a challenging occupation that carries a high level of responsibility. Officers often supervise and mentor junior Officers and Ships' Crew and are also in charge of equipment worth millions of dollars. The decisions they make can have serious consequences to both lives and property. Having a meaningful break to spend time with their friends and family from the stresses and challenges of the job is crucial to ensuring that Officers can return to work ready to take on their duties and responsibilities.

In terms of the Guild's proposal to add a new vacation plateau for employees with 25 years of continuous employment, there are several other federal public service bargaining units who have a similar entitlement:

- The Dockyards Chargehands Association, Dockyard Trades and Labour Council (East and West) accrue 18 hours per month starting at their 25th anniversary;
- PSAC (Operational Services), including the Ships' Crew, accrue 18 hours per month starting at their 27th anniversary; and
- UCCO (Corrections) accrue 20 hours per month starting at their 25th anniversary.

The Guild submits that these are modest and reasonable improvements and requests that its proposal be awarded.

ARTICLE 21 – DESIGNATED HOLIDAYS

GUILD PROPOSAL

21.01 Subject to clause 21.02, the following days shall be designated holidays with pay for officers:

- a. New Year's Day,
- b. Good Friday,
- c. Easter Monday,
- d. the day fixed by proclamation of the Governor in Council for celebration of the Sovereign's birthday,
- e. Canada Day,
- f. **Truth and Reconciliation Day**,
- g. Labour Day,
- h. the day fixed by proclamation of the Governor in Council as a general day of Thanksgiving,
- i. Remembrance Day,
- j. Christmas Day,
- k. Boxing Day,
- l. one additional day in each year that, in the opinion of the employer, is recognized to be a provincial or civic holiday in the area in which the officer is employed or in any area where, in the opinion of the employer, no such additional day is recognized as a provincial or civic holiday, the first (1st) Monday in August,
and
- m. one (1) additional day when proclaimed by an Act of Parliament as a national holiday.

DISCUSSION

The Guild is seeking to add "Truth and Reconciliation Day" to the list of designated holidays set out in Article 21 of the Collective Agreement.

As the Board is no doubt familiar, this day was proclaimed as a National holiday by the Federal Government in June 2021. It falls on September 30 of each year and is meant to honour the children who never returned home and Survivors of residential schools, as well as their families and communities.

See TAB 67

National Day for Truth and Reconciliation

There were 140 federally run residential schools in Canada that operated between 1867 and 1996. The Truth and Reconciliation Commission, which gathered stories from the survivors and their families released a final report in 2015 which included 94 calls to action. The Calls to Action were drafted as part of the effort to redress the legacy of residential schools and to advance the process of Canadian reconciliation with its aboriginal peoples. Call to Action #80 stated,

We call upon the federal government, in collaboration with Aboriginal peoples, to establish, as a statutory holiday, a National Day for Truth and Reconciliation to honour Survivors, their families and communities, and ensure that public commemoration of the history and legacy of residential schools remains a vital component of the reconciliation process.

See TAB 68 Truth and Reconciliation Commission of Canada: Calls to Action

While Article 21.01(m) provides for “one (1) additional day when proclaimed by an Act of Parliament as a national holiday”, which necessarily incorporates September 30th as a designated holiday, the Guild is nonetheless seeking to ensure that September 30th is explicitly added to the list of designated holidays on a go-forward basis.

Virtually all other collective agreements in the federal public service have language similar or identical to Article 21.01(m) which means that September 30th is now treated like any other statutory holiday in the federal public service. Treasury Board has also recognized it as a designated holiday for several other groups: PSAC Border Services and ACFO Comptrollership (which also have language like Article 21.01(m)) and the recently ratified agreements for the PSAC Operational Services SV Group which includes the Ships’ Crew, the PSAC Technical Services TC Group, the PSAC Program and Administrative Services PA Group, the PSAC Education and Library Sciences EB Group and the PSAC – UTE Agreement with the Canada Revenue Agency. In addition, Treasury Board recently agreed to include the National Day for Truth and Reconciliation as a paid day off for members of Unifor 2182 (Marine Communication Officers at the Canadian Coast Guard).

For all these reasons, the Guild requests that the Board award its proposal.

ARTICLE 23 – BEREAVEMENT LEAVE

<p>23.02 Bereavement leave with pay</p>	<p>For the purpose of this clause, immediate family is defined as father, mother (or, alternatively, stepfather, stepmother, or foster parent), brother, sister, stepbrother, step-sister, spouse (including common-law partner resident with the officer), child (including child of common-law partner), stepchild, foster child or ward of the officer, grandchild, father-in-law, mother-in-law, daughter-in-law, son in-law, the officer's grandparents and relative permanently residing in the officer's household or with whom the officer permanently resides.</p> <p>...</p>
	<p>(a) Where a member of an officer's immediate family dies, and it is practical for an officer to leave and rejoin the vessel, the officer shall be entitled to bereavement leave with pay for a period of up to seven (7) consecutive calendar days, including the day of the memorial commemorating the deceased. During such period, the officer shall be granted leave with pay for those days which are not the regularly scheduled days of rest for that officer. In addition, the officer may be granted up to three (3) days' leave for the purpose of travel related to the death.</p>
	<p>(b) In special circumstances and at the request of the officer, bereavement leave may be extended beyond the day of the memorial commemorating the deceased but the total number of days granted must be consecutive and not greater in number than those provided for in paragraph 23.02(a), and must include the day of the funeral.</p>
	<p>(c) An officer is entitled to bereavement leave with pay, up to a maximum of one (1) day, if it is practical for the officer to leave and rejoin the vessel, in the event of the death of the officer's grandparent, son-in-law, daughter-in-law, brother-in-law, sister-in-law and grandparents of spouse. In addition, the officer may be granted up to three (3) days' leave for the purpose of travel related to the death.</p>
	<p>(d) It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the deputy head of a department may, after considering the particular circumstances involved, defer or grant bereavement leave with pay for a period greater than that provided for in subparagraph 23.02(a), (b) and (c).</p>
	<p>(e) If, during a period of paid leave an officer is bereaved in circumstances under which the officer would have been eligible for bereavement leave under subparagraph (a), (b) or (c) of this clause, the officer shall be granted bereavement leave and his/her paid leave credits shall be restored to the extent of any concurrent bereavement leave granted.</p>

DISCUSSION

There are two components to the Guild's proposal to amend the bereavement leave provisions. The **first** is to add stepbrother, stepsister, foster child, daughter-in-law, son-in-law and officer's grandparents to the immediate familial categories triggering entitlement to up to 7 days of paid bereavement leave under subclause (a). The Board should note that daughter-in-law, son-in-law and officer's grandparent are currently entitled to one (1) day of paid bereavement leave under Article 23.02(c).

The **second** component of the Guild's proposal is to add grandparents of an Officer's spouse to the entitlement for one (1) paid day of bereavement leave under Article 23.02(c) and to ensure that, in addition to the one (1) day of paid bereavement leave, officers who lose a brother-in-law, sister-in-law or the grandparents of their spouse may be granted up to three (3) unpaid days travel leave.

Guild Proposal #1 – Amend definition of immediate family to include stepbrother, stepsister, foster child, daughter-in-law, son in-law and the officer's grandparents

The Guild is seeking to expand the definition of immediate family to be more reflective of how family is understood today. It is no longer unusual for individuals to grow up in blended families and to have stepbrothers and/or stepsisters as part of one's immediate nuclear family unit. Growing up together in the same household means that step siblings often develop bonds just as close as those who are birth siblings. Similarly, the decision to have a foster child comes with all the responsibility, care and devotion that comes with raising a birth child. It should not need to be stated but the loss of a step sibling or foster child can be as devastating and impactful as the loss of a sibling or child related by blood. The Guild is seeking to ensure that members who suffer the loss of a step sibling or foster child are entitled to up to seven (7) days of paid bereavement leave.

Similarly, a son or daughter-in-law and officer's grandparents are also "part of the family" and their loss can be a traumatic and significant loss that deserves more than one (1) day of paid leave for bereavement purposes which is all they are currently entitled to under 23.02(c).

The purpose of paid bereavement leave for a few days is to ensure that employees have a brief amount of paid time away from work in which to attend a funeral service or memorial for the loss

of their loved one; to grieve with their family and friends; and to ensure that they have some time in which to take care of any official matters that arise from the death.

It is understood that forcing employees to continue working in the face of the loss of a loved one is unhealthy and can prolong grief. The Guild submits that recognition of these family ties also has become more common which is why Treasury Board has recognized the importance of bereavement leave when a step sibling or son or daughter in law passes away. Virtually every other federal public service collective agreement contains bereavement leave provisions similar to what the Guild is seeking.

As the Board will see from the chart below, virtually all federal Collective Agreements include stepbrother, stepsister and foster child as immediate family and more than half include son and daughter in law as immediate family. The Guild therefore submits that its request is reasonable and normative and asks that the Board award its proposal.

Guild Proposal #2 - Improve Travel Leave

In the event of the loss of an immediate family member, Ships' Officers may be granted up to three (3) days' leave for the purpose of travel related to the death under 23.02(a). Such travel leave is in addition to paid bereavement leave and is unpaid travel time. The Guild is asking that the same provision be added to Article 23.02(c), the clause permitting bereavement leave for the death of the officer's brother in law, sister in law etc.

The reason for the travel time is to permit an officer to attend an out of town funeral or memorial service of some kind. As Officers are often assigned to vessels when they suffer a death in the family, it can take time to travel to wherever the funeral will take place. Such travel time is unpaid but necessary in order to ensure that officers are able to attend funerals for loved ones.

For all these reasons, the Guild requests that the Board award its proposal.

FEDERAL COMPARATORS

Treasury Board comparator	Stepbrother, Stepsister, foster child included as immediate family	Grandparent included as immediate family	# of paid bereavement days for immediate family	# of paid bereavement days for Son-in-law, daughter-in-law	# of paid bereavement days for grandparents of spouse
ACFO (Comptrollership)	yes		5 days	5 days (included as immediate family)	1 day
ACFO (Financial Management)	Yes		5 days	5 days (included as immediate family)	1 day
Association of Justice Counsel	Yes		7 days	7 days (included as immediate family)	1 day
CAPE (Economics & Social Services)	Yes		5 days	5 days (included as immediate family)	1 day
CAPE (Translation)	Yes		5 days	5 days (included as immediate family)	1 day
CATCA Unifor Local 5454	Yes		5 days	5 days (included as immediate family)	1 day
CFPA (Aircraft Operations)	Yes		5 days	1 day	1 day
CMFA (University Teaching)		Leave with pay may be granted at discretion of the Employer where there is death in the family			
CMSG	No			1 day	1 day
Dockyard Chargehands Association	Yes		7 days	7 days (included as immediate family)	1 day
Dockyard Trades and Labour Council (East)	Yes		5 days	5 days (included as immediate family)	1 day
Dockyard Trades and Labour Council (Esquimalt)	yes		7 days	7 days (included as immediate family)	1 day

IBEW Local 2228 (Electronics)	Yes		7 days	1 day	1 day
National Police Federation (RCMP Regular members below Inspector and Reservists)	Yes		5 days	5 days (included as immediate family)	1 day
PAFSO	Yes		5 days	5 days (included as immediate family)	1 day
PIPSC (Applied Science and Patent Examination)	Yes		5 days	5 days (included as immediate family)	1 day
PIPSC (Architecture, Engineering and Land Survey)	Yes		5 days	5 days (included as immediate family)	1 day
PIPSC (Audit, Commerce and Purchasing)	Yes		5 days	5 days (included as immediate family)	1 day
PIPSC (Computer Systems)	Yes		7 days	1 day	1 day
PIPSC (Health Services)	Yes		5 days	5 days (included as immediate family)	1 day
PIPSC (Research)	Not listed but immediate family includes "a person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such person and the employee"		3 days	3 days	3 days
PSAC (Border Services)	Yes		7 days	7 days	1 day
PSAC (Education and Library)	Yes		5 days	5 days	1 day
PSAC (Operational Services)	Yes		5 days	5 days	1 day
PSAC (Program and	Yes		5 days	5 days	1 day

Administrative Services)					
PSAC (Technical Services)	Yes		5 days	5 days	1 day
UCCO-SACC-CSN (Correctional Services)	Yes		5 days	5 days	1 day
Unifor Local 2182 (Radio Operations)	Yes		5 days	5 days	1 day

MEAL PERIODS
As set out in ARTICLE 30, Appendix K (40 Hour Workweek System)
and LOU 13-4 (Variable Hours of work)

GUILD PROPOSAL

The Guild proposes to amend the Collective Agreement to ensure that “meal periods” are paid time in accordance with the Coast Guard’s policy that was implemented in 2017. The Guild’s proposal requires amendments to Article 30 (general hours of work), Appendix K (40-Hour Workweek) and LOU 13-4 (Variable Hours of work averaging agreement that permits certain Officers to average 40 hours per week):

Article 30 Hours of Work and Overtime

- 30.01 Except as otherwise provided in Appendices “H”, “I”, “J” and “K”, hours of work shall be designated so that officers:
- a. Work eight (8) hours per day, and
 - b. Work an average of forty (40) hours and five (5) days per week.
- 30.02 Unless otherwise provided in this article officers assigned to the Lay-Day Crewing System are subject to Appendix “H”, officers assigned to the Averaging System forty-two (42) hours are subject to Appendix “I”, officers assigned to the On-Call System average forty-six point six (46.6) hours are subject to Appendix “J”, and all other officers are subject to Appendix “K”.
- 30.03 a. Meal periods shall not constitute a part of any work period.
b. ~~However, the provisions of clause 30.03(a) above does not apply to officers who are required to eat during their work period.~~
- 30.04 a. Any work which appears to be necessary for the safety of the vessel, passengers or crew shall be performed at any time on immediate call by all officers and, notwithstanding any provisions of this agreement which might be construed to the contrary, in no event shall overtime be paid for work in connection with such emergency duties, of which the master/commanding officer shall be the sole judge.
- b. The master/commanding officer may require any officer to participate in lifeboat or other emergency drills without the payment of overtime.
- 30.05 The employer may apply Appendix “I” to operations other than those presently operating under Appendix “I” upon mutual agreement being reached between the Guild and the employer.

Appendix K 40-Hour Workweek System

Hours of work

- a. Hours of work shall be designated so that officers:
 - i. Work eight (8) hours per day, and
 - ii. Work an average of forty (40) hours and five (5) days per week and
 - iii. The two (2) days of rest shall be consecutive.
- b. Officers working sea watches shall normally work on the basis of either:
 - i. Four (4) hours on and eight (8) hours off; or
 - ii. Six (6) hours on and six (6) hours off.
- c. Officers whose hours of work are designated in accordance with clause (a) and who are not assigned to watches shall perform their daily hours of work within a twelve (12) hour period as determined from time to time by the master /commanding officer. These hours shall be designated so as to be consecutive ~~except for meal periods.~~
- d. For officers who regularly work five (5) consecutive days per week on “non-watchkeeping” vessels the hours of work shall be consecutive, ~~except for meal periods,~~ and the normal hours of work shall be between 0600 and 1800 hours and officers shall be given forty-eight (48) hours’ notice of any change in scheduled starting time.

Letter of Understanding 13-4 re Variable Hours of Work²

1. General terms

Officers, with the approval of the employer, may complete their weekly hours of employment in a period other than five (5) full days provided that over a period to be determined by the employer, officers work an average of forty (40) hours per week. In every such period, officers shall be granted days of rest on days not scheduled as normal work days for them.

The starting and finishing times, meal breaks and rest periods shall be determined according to operational requirements as determined by the employer.

Scheduled hours shall be consecutive, ~~exclusive of meal periods,~~ and all hours in excess of the scheduled hours shall be overtime hours.

The maximum life of a schedule shall be six (6) months.

Normally, the cancellation of any agreed compressed work schedule shall require fourteen (14) days’ notice.

...

² The Guild has an outstanding proposal under LOU 13-4 relating to designated paid holidays which is dealt with separately in the Guild’s submissions.

DISCUSSION

Article 30 of the Collective Agreement sets out the general Hours of Work provisions for officers working 8 hours per day, 40 hours per week. Variations to the general hours of work are set out in Appendices H (Lay-Day), I (42 Hours), J (On-Call average 46.6 hours). Appendix K sets out further details with respect to the parties' agreement on the 40 Hour Workweek system.

For Officers working an 8 hour day, the Collective Agreement excludes meal periods from the work period. Notwithstanding the Collective Agreement language, in 2017, the Coast Guard implemented a Policy indicating that,

All Ships' Officers are to be paid during their meal breaks regardless of the crewing system they are assigned to. All Ships' Officers are required to be available at all times in case of search and rescue mission or any other emergency situation.

See TAB 69 Application of Meal Periods for Ships' Officer Employees Working Onboard Canadian Coast Guard Vessels dated November 11, 2017

Since then, meal periods have been paid. The Guild is seeking to reflect the practice, which has now been in place for many years, in the Collective Agreement which necessitates amendments to Article 30, Appendix K and LOU 13-4.

ARTICLE 35 – PAY ADMINISTRATION

GUILD PROPOSAL

35.03 (a) The rates of pay set forth in Appendix “A,” “B,” “C,” “D,” “E,” “F” or “G” shall become effective on the date specified.

(b) Where the rates of pay set forth in Appendix “A,” “B,” “C,” “D,” “E,” “F” or “G” have an effective date prior to the date of signing of this agreement, the following shall apply:

- i. “retroactive period” for the purpose of clauses (ii) to (v) means the period from the effective date of the revision up to and including the day before the collective agreement is signed or when an arbitral award is rendered therefore;
- ii. a retroactive upward revision in rates of pay shall apply to officers, former officers or in the case of death, the estates of former officers who were officers in this bargaining unit during the retroactive period;
- iii. for initial appointments made during the retroactive period, the rate of pay selected in the revised rates of pay is the rate which is shown immediately below the rate of pay being received prior to the revision;
- v. for promotions, demotions, deployments, transfers or acting situations effective during the retroactive period, the rate of pay shall be recalculated, in accordance with the Public Service Terms and Conditions of Employment Regulations, using the revised rates of pay. If the recalculated rate of pay is less than the rate of pay the employee was previously receiving, the revised rate of pay shall be the rate, which is nearest to, but not less than the rate of pay being received prior to the revision. However, where the recalculated rate is at a lower step in the range, the new rate shall be the rate of pay shown immediately below the rate of pay being received prior to the revision;
- vi. no payment or notification shall be made pursuant to clause 35.03(b) for one dollar (\$1.00) or less;
- vii. in order for former officers or, in the case of death, for the former officers’ representatives to receive payment in accordance with clause (b)(iii), the employer shall notify, by registered mail, such individuals at their last known address that they have thirty (30) days from the date of receipt of the registered letter to request in writing such payment after which time any obligation upon the employer to provide payment ceases.

DISCUSSION

The intent of the Guild's proposal to amend Article 35 is simply to ensure that the rules governing retroactivity apply to any increases to the allowances set out in Appendices E, F and G in the same manner as retroactivity is applied to the rates of pay set out in Appendixes A, B, C and D.

Appendix E governs the Allowances paid to the Cadets. The Guild's proposal to increase the Cadet Allowance is enclosed with the Guild's submissions.

Appendix F governs the following Specialist Allowances:

- a) **Rescue specialist allowance** – Officers holding this Certification are trained to provide emergency pre-hospital medical care that includes:
 - Rescuing and extracting casualties
 - Providing pre-hospital emergency care for patients and casualties resulting from medical evacuations, shipboard medical emergencies, maritime search and rescue incidents
 - Maintaining, purchasing, replacing or advising of any needed supplies or equipment
 - Providing medical care or advanced interventions, directed by medical authorities on shore
 - Advising on matters concerning the application of rescue specialist duties as required by their commanding officer
 - Maintaining their skills, knowledge and certifications as neededRescue Specialists currently receive a monthly allowance of \$136 for each month they maintain their certification and are assigned to a seagoing position where they may be required to perform such duties.
- b) **Fisheries enforcement allowance** - An officer who completes the required training in fisheries enforcement receives a monthly allowance of \$306 for each month the officer maintains such qualifications and is assigned to a seagoing position where the officer may be required by the employer to participate in enforcement duties.
- c) **Armed boarding allowance** - An officer, once qualified, shall be paid a monthly allowance of one hundred and eighty-four dollars (\$184) for each month the officer is assigned to a seagoing position on selected offshore patrol vessels of the Department of Fisheries and Oceans, which carry special armaments for the purpose of enforcement duties, where the officer may be required by the employer to participate in armed boarding activity.
- d) **Diving duty allowance** - A qualified officer who is required to perform diving duties and maintain diving equipment on vessels shall be entitled to receive an allowance of \$858 per year. This allowance shall be paid on the same basis as that for the officer's regular pay.

- e) **Nuclear Emergency Response Team** - Officers working at CFB Esquimalt and CFB Halifax, who are designated as members of a Nuclear Emergency Response Team, are trained, maintain their qualifications and are assigned duties, shall receive a monthly allowance of \$156.

The Guild is not putting forward a proposal to increase these allowances during this round of bargaining but still seeks to add Appendix F to Article 35 in order to ensure that the retroactivity process is in place for the future. It opposes the Employer's proposal to delete the Fisheries Enforcement and Diving duty allowance.

Appendix G governs the "Extra Responsibility Allowance" ('the ERA'). As set out elsewhere, the ERA is an allowance paid to certain Officers in recognition of the additional responsibilities involved in the performance of the regular duties of the position and in recognition of the fact that their responsibilities extend beyond the hours of work and overtime provisions. The Guild is seeking to make improvements to the Allowance to ensure that it is calculated at 18% of the third increment (as calculated once all retroactive wage increases are added and as per the calculation method set out in the Guild's submissions on Appendix G). The Guild is seeking to have the new allowance calculation awarded retroactive to April 1, 2018.

LETTER OF UNDERSTANDING 13-4 – VARIABLE HOURS OF WORK

GUILD PROPOSAL

Letter of Understanding 13-4 – Variable Hours of Work

2. Designated paid holidays

A designated paid holiday shall account for the normal daily hours specified in Article 21.

When an officer works on a Designated Paid holiday, the officer shall be compensated, in addition to the normal daily hours' pay, time and one-half (1 1/2) up to his or her regular scheduled hours worked and double (2) time for all hours worked in excess of his or her regular scheduled hours.

A designated paid holiday shall be equivalent to the officer's normally scheduled hours of work.

DISCUSSION

Letter of Understanding 13-4 sets out an averaging agreement for officers who are approved to work a compressed work week. Normally, they would work 8 hours a day, 40 hours per week but, under the compressed work week, they would typically work four (4) days a week, ten (10) hours per day.

Many of the Officers who work a compressed work week are employed by DND at the Canadian Forces Maritime Experimental and Test Ranges in Nanoose Bay, B.C., Canada's primary underwater test and trials facility where they conduct a variety of testing including torpedo and sonobuoy tests, ship and submarine acoustic and sonar testing. Ships' Officers assigned to Nanoose Bay are engaged primarily in the recovery of torpedoes (being fired by submarines, ships and aircraft) as well as launching torpedoes and underwater targets. While the torpedo range serves the Canadian Navy, various foreign navies also use the facilities including the US Navy. The US Navy returns back to the United States on a weekly basis and then, every Monday, they are in transit on their way back to Nanoose Bay. Because Ships' Officers spend the majority of their time conducting operations in support of the US Navy, the Officers assigned to Nanoose Bay are required to work a compressed work week.

If a designated statutory holiday falls on a day that is normally a work day, instead of paying them for the ten (10) hours that they would normally work, the Employer only pays them for

eight (8) hours. If the Officer wants to maintain their full pay, they have to tap into their compensatory leave, vacation or laydays they have banked.

The Guild's proposal is intended to ensure that the pay received on a designated statutory holiday is equivalent to their normally scheduled hours and that officers do not have to dip into any of their banks in order to maintain their pay.

EMPLOYER PROPOSAL TO AMEND ARTICLE 14 INFORMATION FOR OFFICERS

- 14.01 ~~The employer agrees to supply each officer with a copy of the collective agreement and will endeavour to do so within one (1) month after receipt from the printer.~~ **Officers of the bargaining unit will be given electronic access to the collective agreement. Where electronic access to the agreement is unavailable or impractical, an officer will be supplied with a printed copy of the agreement upon request.**

GUILD'S PRELIMINARY RESPONSE TO THE EMPLOYER'S PROPOSAL

The Employer tabled a similar proposal in the last round of bargaining which the Guild opposed and which was dismissed by the Baxter Board. The Employer's previous proposal read:

- 14.01 The Employer agrees to supply each officer with a copy of the Collective Agreement. ~~and will endeavour to do so within one (1) month after receipt from the printer.~~ **For the purpose of satisfying the Employer's obligation under this clause, employees may be given electronic access to this Agreement. Where electronic access to the Agreement is unavailable or impractical, the employee shall be supplied, on request, with a printed copy of the Agreement.**

The Guild's position remains the same as it was in 2018, namely that providing electronic access to the Collective Agreement is inadequate in light of the technological problems associated with all forms of electronic access on board a ship.

The Guild repeats and relies on the submissions it made to the previous Board and reiterates that nothing has changed in regards to the problems associated with electronic access and, the amendment to the Employer's proposal which purportedly promises to supply a printed copy on request is also woefully impractical and inadequate. Once an Officer is at sea on a vessel, they may be unable to even make the request until their return to port which could be days or weeks after they wished to view a copy of their Collective Agreement.

As the Guild previously stated,

As this Board is aware, the vast majority of Ships' Officers perform their duties on a seafaring vessel. This means that, not only are Officers on board a ship during their working hours but 24/7, sometimes for weeks at a time. While there is internet access on board government vessels, the connection, at times, can be described as "spotty" at best. In addition, access to the internet is strictly limited and regulated and scheduled.

For example, Coast Guard Operations Order 130.00, "Use of Electronic Networks Aboard Vessels", clearly states at the outset that "CCG policy limits computer connectivity of CCG shipboard administrative and shore-based operational networks for CCG owned, managed and appropriately secured computers" and, further, that "personal computers or networking devices... are not permitted access to CCG administrative and operational networks". The Use of Electronics Policy states up front that only where "economically and technically feasible" shall personnel aboard CCG vessels have the same level of access to departmental electronic networks as their shore based colleagues (section 1.2).

See TAB 70

Coast Guard Operations Order 130.00, "Use of Electronic Networks Aboard Vessels"

Any User who wishes to use the Ship's Network is required to fill out the appropriate paperwork and forms (section 2.8) but are warned that,

Users should note that there are no guarantees of connectivity to shore-based networks. Communications services with the shore are limited and shared with other ships. Depending on service demand, connectivity with the shore may become degraded or unavailable. Users should have no expectation of network connectivity or performance (section 3.2).

The current vessel satellite connectivity solution is a national solution. The bandwidth is shared amongst all vessels equipped with this solution. The available satellite bandwidth is considered small even by home consumer internet Service Providers standards and is also quite expensive... Users of both networks must be cognizant at all times that network bandwidth is at a premium and should limit their network traffic accordingly (e.g. don't ... download large files unless essential to the ship's operations) (section 3.5).

Furthermore, there is limited privacy even when Users are able to access the internet and the Policy explicitly warns that "all shipboard electronic networks are subject to monitoring to determine whether or not they are in compliance with government policy ... [and] will consist of operational analysis of logs indicating internet sites users have visited" (section 3.3).

In the Guild's view, given that electronic access is illusory for many of its members due to the nature of their work, the Employer's proposal is impractical and inappropriate.

The Guild also notes that, where the Employer requires employees to complete an online course or its Public Service survey, it routinely takes extra measures, ie. provides the information on discs, to ensure that employees on board vessels are able to complete the task without the necessity of relying on the internet.

The Guild further submits that ready access to the terms and conditions governing an employee's work is a fundamental right of each member of the bargaining unit. Negotiating those terms and conditions of employment is one of the most significant items for which Guild members pay union dues and to deny them access to the foundational document which sets out their rights and entitlements would subvert the system upon which the collective bargaining regime is founded. The Guild submits that its members must be entitled to be check and confirm their rights and entitlements as the

need arises and it is not sufficient to place the onus on an employee who may be at sea for weeks at a time to request a written copy of the agreement if electronic access is “unavailable or impractical”.

The Guild also notes that, as of October 16, 2023, the French version of the SO Collective Agreement on the Treasury Board website was missing all of the Letters of Understanding.

For all these reasons, the Guild requests that the current language be renewed without changes.

EMPLOYER PROPOSAL TO ADD A NEW APPENDIX - MEMORANDUM OF UNDERSTANDING BETWEEN THE TREASURY BOARD OF CANADA AND THE CANADIAN MERCHANT SERVICE GUILD (GUILD) IN RESPECT TO IMPLEMENTATION OF THE COLLECTIVE AGREEMENT

Notwithstanding the provisions of clause 35.03 on the calculation of retroactive payments and clause 43.02 on the collective agreement implementation period, this memorandum is to give effect to the understanding reached between the Employer and the Canadian Merchant Service Guild regarding a modified approach to the calculation and administration of retroactive payments for the current round of negotiations.

1. The effective dates for economic increases will be specified in the collective agreement. Other provisions of the collective agreement will be effective as follows:

- a) All components of the agreement unrelated to pay administration will come into force on signature of this agreement unless otherwise expressly stipulated.**
- b) Changes to existing and new compensation elements such as premiums, allowances, insurance premiums and coverage and changes to overtime rates will become effective within one hundred and eighty (180) days after signature of agreement, on the date at which prospective elements of compensation increases will be implemented under 2.a).**
- c) Payment of premiums, allowances, insurance premiums and coverage and overtime rates in the collective agreement will continue to be paid as per the previous provisions until changes come into force as stipulated in 1.b).**

2. The collective agreement will be implemented over the following time frames:

- a) The prospective elements of compensation increases (such as prospective salary rate changes and other compensation elements such as premiums, allowances, changes to overtime rates) will be implemented within one hundred and eighty (180) days after signature of this agreement where there is no need for manual intervention.**
- b) Retroactive amounts payable to employees will be implemented within one hundred and eighty (180) days after signature of this agreement where there is no need for manual intervention.**
- c) Prospective compensation increases and retroactive amounts that require manual processing will be implemented within four hundred and sixty (460) days after signature of this agreement.**

3. Employee recourse

- a) Employees in the bargaining unit for whom this collective agreement is not fully implemented within one hundred and eighty (180) days after signature of this collective agreement will be entitled to a lump sum of two hundred dollars (\$200) non-pensionable amount when the outstanding amount owed after one hundred**

and eighty-one (181) days is greater than five hundred dollars (\$500). This amount will be included in their final retroactive payment.

- b) Employees will be provided a detailed breakdown of the retroactive payments received and may request that the compensation services of their department or the Public Service Pay Centre verify the calculation of their retroactive payments, where they believe these amounts are incorrect. The Employer will consult with the union regarding the format of the detailed breakdown.**

In such a circumstance, for employees in organizations serviced by the Public Service Pay Centre, they must first complete a Phoenix feedback form indicating what period they believe is missing from their pay. For employees in organizations not serviced by the Public Service Pay Centre, employees shall contact the compensation services of their department.

GUILD'S PRELIMINARY RESPONSE TO EMPLOYER'S PROPOSAL

It is no secret that the Phoenix pay system has been an unmitigated disaster. What is perhaps less well known is that Guild members have been on the receiving end of a disproportionate amount of pay errors based on the relatively small size of its bargaining unit. Because most Ships' Officers do not work a standard eight (8) hour day, and none work a 7.5 hour day, which is what Phoenix is capable of processing, and because many Ships' Officers are often working in an acting capacity to fill in for Officer shortages, which Phoenix also cannot process, virtually all of their "pay" is considered "irregular" and requires manual intervention. In fact, a separate "MYPAY" pay unit has been set up to deal with all Coast Guard related pay issues although the "MYPAY" unit has limited access to the Phoenix system and is often able to do little other than identify pay issues.

As a result, the implementation of the previous Collective Agreement, which was supposed to take place within 150 days, took just over two (2) years to complete. It led to numerous individual grievances, a policy grievance as well as an unfair labour practice complaint. In other words, virtually every Ships Officer has experienced pay disruptions, including Officers who have not been properly paid for their earned overtime for years.

The Employer's proposed new Memorandum would ensure that such delays in processing compensation legitimately owed to employees are baked into the pay system. Virtually all pay for Guild Officers requires "manual" intervention which means that the implementation of retroactive payments would fall under paragraph 2(c) and may take 460 days (nearly a year and a half) to implement.

Guild members have already been waiting more than five and a half years for any sort of wage increase and this proposal ensures that they will wait close to another year and a half. This proposal is unacceptable and the Guild strongly opposes it.