



**SUBMISSION OF THE
TREASURY BOARD TO THE
ARBITRATION BOARD
IN RESPECT OF THE
SHIPS' OFFICERS GROUP**

CHAIRPERSON: Mr. Sydney Baxter

**MEMBERS: Mr. Tony Boettger
Mr. Joe Herbert**

OTTAWA

May 14, 2018

In the matter of the *Federal Public Sector Labour Relations Act* and a dispute affecting the Canadian Merchant Service Guild and Her Majesty in Right of Canada as represented by the Treasury Board, in respect of all of the employees of the Employer in the Ships' Officers bargaining unit as determined in the certificate issued by the Public Service Staff Relations Board on May 31, 1999.

FOREWORD

This brief is being presented without prejudice to the Employer's right to present any additional facts or arguments it considers appropriate and relevant during the proceedings of the Board.

INTRODUCTION

The Canadian Merchant Service Guild (the Guild) and Treasury Board were engaged in negotiations between June 17, 2014, and September 13, 2017, to renew the collective agreement for the Ships' Officers (SO) group, which expired on March 31, 2014.

The Guild declared an impasse in bargaining on September 13, 2017, and it filed for arbitration with the Federal Public Sector Labour Relations and Employment Board (FPSLREB) on November 24, 2017.

This document presents the Employer's position on the outstanding issues between the parties, including rates of pay. The document also provides relevant contextual information pertaining to the current round of bargaining and the SO group.

The Employer brief is organized as follows:

Executive Summary

Part I provides a status update on the current round of negotiations for the Core Public Administration (CPA) as a whole, and for the SO group.

Part II presents information on internal and external comparability, recruitment and retention, and the government's economic and fiscal circumstances.

Part III presents the Employer's submission for rates of pay and duration, and the associated rationale, as well as a response to the Guild's proposal.

Part IV presents the Employer's position on other outstanding proposals.

Part V provides information on the SO group.

EXECUTIVE SUMMARY

To date, 23 collective agreements have been concluded during the current round of collective bargaining, covering 97% of the represented population in the CPA.

All of the agreements include pattern economic increases of 1.25% over four years and group-specific improvements in the third year. These third year targeted increases (inclusive of non-monetary leave provisions), which average 1.9% across the CPA, generally take the form of wage adjustments or a signing bonus. The key factors in determining the value of these increases were external market comparability and recruitment and retention metrics.

For example, the PA group, which is the largest group in the CPA and represents close to 78,000 employees, received an additional 0.5% wage adjustment and a \$650 signing bonus in the third year, in addition to the pattern 1.25% increases.

In the case of the SO group, the evidence suggests that compensation levels are competitive with the market and the Employer is able to attract and retain a sufficient number of employees. There is no evidence to support providing annual increases to officers that exceed the cumulative increases provided to 97% of the represented population in the CPA over the recent four-year contracts.

Recruitment and Retention

At the beginning of this round of bargaining (2014), the two departments who hire officers, the Department of Fisheries and Oceans (DFO) and the Department of National Defence (DND) were surveyed and did not identify any recruitment and retention issues for this group.

Moreover, the evidence shows that compensation levels for the SO group are sufficient to attract and retain qualified employees. There is no indication that increases above the pattern established with the majority of represented CPA employees are required to recruit and retain officers.

The population of the SO group has remained relatively stable over the last five fiscal years compared to the CPA as a whole. During this reference period marked with restraint measures, the SO group averaged a reduction of only 1.5%, compared to 3% for the CPA.

The hiring rate for the SO group has outpaced the CPA's over all five of the last fiscal years and the total separation rate for the SO group has been declining since 2013-2014. In addition, the hiring-to-separation ratio has also been consistently higher than the CPA average.

Moreover, SO positions have been extremely attractive to qualified external candidates, outpacing the CPA average. Over the last five years, there was a large number of high quality applications per job advertisement, and the majority of

applicants had the necessary qualifications to be screened-in, providing the Employer with a large pool of potential employees to hire.

In addition, the results from the Public Service Employee Annual Survey (PSEAS) in 2014 show high job satisfaction levels among officers. The response of officers were generally better than the public service average when looking at measures of overall job satisfaction, and satisfaction with the departments of employment.

External Comparability and Wage Growth

The results of the 2014 wage comparability study conducted by the human resources consulting firm Deloitte, on behalf of the Employer, shows that the wages for the SO group are competitive with external comparators.

Despite the legislated wage increases set by the *Expenditure Restraint Act* (ERA) prior to December 2008, the SO group has remained competitive with the external market in terms of wage growth. A 2008 arbitral award included a restructure that provided increases above and beyond the 1.5% pattern set by the ERA.

From 2002 to 2013, the overall wage growth for the SO group (31%) significantly outpaced inflation (22.8%), as well as wage settlement rates in the private (26.7%) and public sectors (27.5%).

Bargaining Agent Proposals

The parties have signed off on a number of articles, but key elements remain outstanding, including rates of pay. The Guild's nine proposals are the following:

1. Article 24 Travelling Time: Increase of the maximum travelling time from 8 to 9 hours.
2. Article 25 Meals and Quarters: Increases of all meal rates to align with the National Joint Council (NJC) Travel Directive rates.
3. Article 30 Hours of Work and Overtime: Increases of all meal rates to align with the National Joint Council (NJC) Travel Directive rates.
4. Article 35 Pay Administration: Recognition of acting time for pay increment calculations.
5. Article 40 Dirty Work Allowance: Expansion of the dirty work allowance to those physically inspecting the "dirty work" performed by other employees.
6. Article 43 Duration and Renewal:
 - o A five year agreement expiring on March 31, 2019.
 - o All benefits and monetary items effective date retroactive to April 1, 2014.
 - o Completion of a full payroll audit and reconciliation for each officer.
7. Wages and Allowances
 - o Economic increases of 1.25%, 1.25%, 1.25%, 1.25% and 2% over five years.
 - o A 15% market adjustment in year 3 of the agreement.
 - o Eliminate or adjust increments as required to implement market adjustment.

- Extend economic increases and market adjustment to all allowances and apply the increases retroactive to the first year of the new agreement.
- 8. Appendix G Extra Responsibility Allowance: Extension of the Extra Responsibility Allowance (ERA) to other sub-groups and an increase of the maximum period of entitlement while ashore.
- 9. Appendix H Lay Day Operational Crewing System: Increase of the Lay Day factor from 1 to 1.17 days.

As noted in the table below, the Guild's wage proposal, which include annual economic increases, a 15% market adjustment, indexing of relevant allowances, and increasing the Lay Day factor from 1.0 to 1.17, are equivalent to an overall increase of 30.2% compared to the 2014 SO group wage base.¹

BAGAINING AGENT WAGE PROPOSAL	ONGOING COSTS	% OF WAGE BASE
Pattern economic increase for 4 years and above pattern economic increase for a 5 th year: 1.25%, 1.25%, 1.25%, 1.25%, 2%	\$6,367,912	7.2%
15% market adjustment, effective April 1, 2016 (based on union economic proposal)	\$14,228,263	16.1%
Economic increases and market adjustments applied to allowances	\$707,616	0.8%
Increase Lay Day factor from 1 to 1.17 ¹	\$5,457,689	6.2%
Total	\$26,761,479	30.2%

1. Wage-equivalent value.

Several of the other proposals submitted by the Guild would further increase the total compensation for the SO group and involve significant additional costs for the Employer. These include the following measures:

- Recognizing acting time for pay increment calculation.
- Increasing all meal rates in alignment with NJC Travel Directive meal rates;
- Extending the ERA to other groups and increasing the maximum period of entitlement while ashore.
- Increasing the maximum travelling time from 8 to 9 hours.
- Expanding the Dirty Work Allowance to those physically inspecting the "dirty work" performed by other employees.

In addition to the above, the bargaining agent proposes to "eliminate or adjust increments as required to implement market adjustment." It is unclear what the

¹ The ongoing costs of these proposals are based on March 2014 population and compensation data for officers – this is referred to as the wage base throughout this document.

bargaining agent is specifically seeking, and if there are any additional costs associated with this proposal.

These proposals are unsubstantiated based on all available data and associated metrics related to recruitment and retention and internal and external comparability. Moreover, they would be extremely complicated to implement since many pertain to elements included in the other 26 CPA collective agreements where the Treasury Board is the Employer. Accepting the bargaining agent's proposals would violate the replication principle of interest arbitration and have a significant impact on several other collective agreements in the CPA.

Employer Wage Proposals

Recent economic and compensation indicators, as well as the current economic situation, suggest that modest economic increases are appropriate for settlements concluded in the near to medium term for the SO group.

The Employer proposes wage increases as follows:

EMPLOYER WAGE PROPOSAL	ONGOING COST	% OF WAGE BASE
Economic increases of 1.25% over 4 years	\$4,508,009	5.1%

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PART I – STATUS OF NEGOTIATIONS

1.1 Treasury Board of Canada and the Core Public Administration

As the Employer of the CPA, the Treasury Board, through its President and its administrative arm, the Treasury Board of Canada Secretariat (TBS), is responsible for negotiating 27 collective agreements with 15 bargaining agents, representing approximately 178,979 unionized employees as of March 2014.^{2,3}

The Government of Canada is committed to bargaining in good faith with all federal public sector bargaining agents. Through meaningful negotiations, the Employer has concluded agreements for 23 of the 27 occupational groups in the CPA in this round of collective bargaining. These agreements cover 97% of represented employees in the CPA, represented by 9 different bargaining agents, including the Public Service Alliance of Canada (PSAC) and the Professional Institute of the Public Service of Canada (PIPSC).

These settlements represent established patterns of bargaining in this round of negotiations. By appealing to the replication principle of interest arbitration, which seeks to finish the agreement that the parties were unable to conclude by attempting to replicate the likely results if collective bargaining had produced a complete negotiated settlement, the Employer submits that an SO group settlement should contain increases similar to what has been achieved in the rest of the CPA. Table 1 below lists the bargaining units with new collective agreements, their union affiliation and population as of March 2014.

² The Treasury Board of Canada negotiates the collective agreements for more than 80 departments and agencies named in Schedule I and Schedule IV of the *Financial Administration Act*.

³ Population figures as of March 2014.

Table 1: Bargaining Units with New Collective Agreements

CPA BARGAINING UNIT	BARGAINING AGENT	EMPLOYEES
PA - Program & Administrative Services	PSAC	77,956
CS - Computer Systems	PIPSC	13,703
EC - Economics and Social Science Services	CAPE	12,413
SV - Operational Services	PSAC	10,929
FB – Border Services	PSAC	10,849
TC - Technical Services	PSAC	10,044
CX – Correctional Services	UCCO-SAC/CSN	7,485
SP - Applied Science and Patent Examination	PIPSC	7,006
AV - Audit, Commerce and Purchasing	PIPSC	5,629
FI - Financial Management	ACFO	4,398
SH - Health Services	PIPSC	3,324
NR - Architecture, Engineering & Land Survey	PIPSC	3,290
RE – Research	PIPSC	2,445
FS – Foreign Service	PAFSO	1,311
EL – Electronics	IBEW	1,071
EB - Education & Library Science	PSAC	1,063
TR – Translation	CAPE	921
SR(W) - Ship Repair West	FGDTLCW	740
SR(E) - Ship Repair East	FGDTLCE	683
RO - Radio Operations	UNIFOR	314
SR(C) - Ship Repair Chargehands	FGDCA	72
PR (NS) - Non-Supervisory Printing Services	UNIFOR	9
AI – Air Traffic Control	UNIFOR	9
Total Population		175,664

All the settlements above are based on annual economic increases of 1.25% over four years. In addition to the general economic increases, various group-specific measures have been introduced in the third year of agreements. Typically, the value of these extra measures would be linked to a group's internal and external wage comparability assessment, as well as recruitment and retention metrics.

For example, close to 78,000 employees in the PA group received an additional 0.5% wage adjustment and a \$650 signing bonus in the third year of their agreement, in addition to the pattern 1.25% increases.

Any group that negotiated third year specific increases above CPA established patterns, like the Operational Services (SV) and Health Services (SH) groups, were experiencing serious issues with external wage comparability and/or recruitment and retention pressures.

Looking at the CPA as a whole, and combining groups that received special adjustments along with the majority of groups receiving standard increases, the CPA average for third year improvements (inclusive of non-monetary leave provisions) is 1.9%.

All but one of the new agreements also include a memorandum of agreement on employee wellness.

1.2 Negotiations with the SO Group

In this round of bargaining, the Guild and TBS officials were engaged in eight negotiation sessions between June 2014, and September 2017.

As noted in table 2 below, the parties agreed to and signed off on six items during negotiations.

Table 2: Status of Proposals Agreed to by the Parties

ARTICLE	TITLE	REFERENCES	
		DESCRIPTION	STATUS
10	Check-Off	<p>Clause 10.06 Introduction of "electronic payment"</p> <p>Clause 10.07 Inclusion of premiums being remitted within a reasonable period of time after deductions are made</p>	Agreed to and signed February 5, 2015
20	Vacation Leave With Pay	<p>Paragraph 23.03(b) Update link to old severance article</p>	Agreed to and signed July 8, 2015
23	Leave with pay for family-related responsibilities	<p>Clause 23.18 Expand flexibility to use for school functions and unforeseeable school or daycare closures</p>	Agreed to and signed November 23, 2016
23	Other Types of Leave With or Without Pay	<p>Clause 23.02(a) Expand to allow for when it is practical for an officer to leave and rejoin the vessel for a period of 7 consecutive days.</p>	Agreed to and signed May 12, 2016

ARTICLE	TITLE	REFERENCES	
		DESCRIPTION	STATUS
29	Severance Pay	Archive the former provisions and clean up the current wording.	Agreed to and signed February 5, 2015
31	Call-Back Pay	Paragraph 31.02(a) Replace mileage with kilometric rate.	Agreed to and signed November 23, 2018

On November 24, 2017, the Guild declared impasse and requested the establishment of an arbitration board to resolve items in dispute between the parties. The bargaining agent has submitted a list of nine proposals to the Arbitration Board, which includes proposed changes to existing articles.

As noted in Table 3 below, the main bargaining agent's monetary proposals, which include annual economic increases of 1.25%, 1.25%, 1.25%, 1.25%, and 2% over five years, a 15% market adjustment in the third year, indexing to allowances, and increasing the Lay Day factor from 1 to 1.17 are equivalent to an overall increase of 30.2% of the group's 2014 wage base.

Table 3: Bargaining Agent Proposals

BAGAINING AGENT WAGE PROPOSAL	ONGOING COSTS	% OF WAGE BASE
Pattern economic increase for 4 years and above pattern economic increase for a 5 th year: 1.25%, 1.25%, 1.25%, 1.25%, 2%	\$6,367,912	7.2%
15% market adjustment, effective April 1, 2016 (based on union economic proposal)	\$14,228,263	16.1%
Economic increases and market adjustments applied to allowances	\$707,616	0.8%
Increase Lay Day factor from 1 to 1.17 ¹	\$5,457,689	6.2%
Total	\$26,761,479	30.2%

Note 1: Wage equivalent value.

The ongoing cost of \$26.8M is in addition to other significant monetary proposals from the Guild that would further increase the total compensation for the SO group. These include the following measures:

- Recognizing acting time for pay increment calculation.
- Increasing all meal rates in alignment with NJC Travel Directive meal rates.
- Extending the ERA to other groups and increasing the maximum period of entitlement while ashore.
- Increasing the maximum travelling time from 8 to 9 hours.
- Expanding the Dirty Work Allowance to those physically inspecting the "dirty work" performed by other employees.

These proposals are unsubstantiated based on all available data and associated metrics related to recruitment and retention and internal and external comparability. Moreover, accepting these proposals would violate the replication principle of interest arbitration and involve significant additional costs for the Employer.

The Employer's detailed position on each outstanding item can be found in parts III and IV of the Employer's brief.

PART II – CONSIDERATIONS

In its approach to collective bargaining and the renewal of collective agreements, the Employer's goal is to ensure fair compensation for employees and, at the same time, to deliver on its overall fiscal responsibility and commitments to the priorities of the government and Canadians.

Section 148 of the *Federal Public Sector Labour Relations Act* (FPSLRA) outlines four principles for consideration when setting compensation through a third party process: internal relatively, external comparability, recruitment and retention, and the government's fiscal situation. In addition, the Employer appeals to replication as a guiding principle to set compensation. This would include an assessment of agreements reached in the CPA, as well as an analysis of the broader Canadian public sector trends.

2.1 Internal Relativity

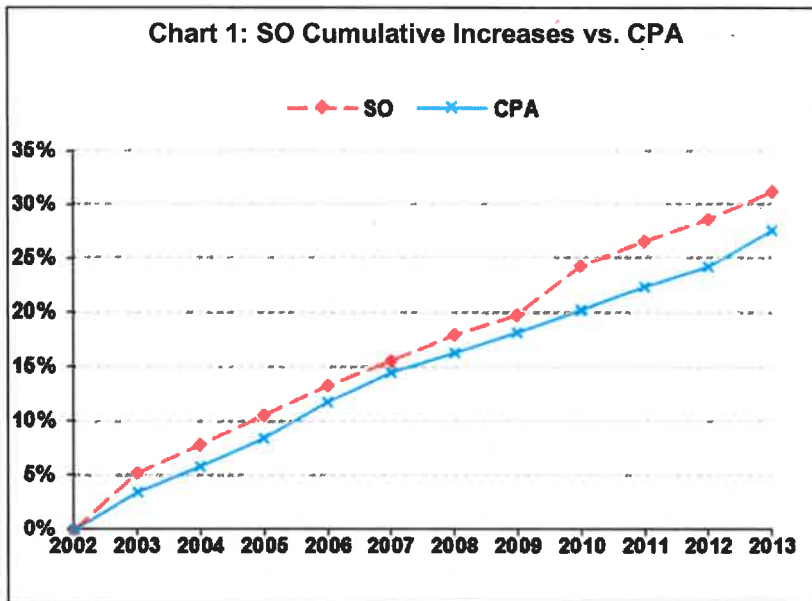
Internal relativity is a measure of the relative value of each occupational group within the CPA. The *Policy Framework on the Management of Compensation* states that compensation should reflect the relative value to the Employer of the work performed, so ranking of occupational groups relative to one another is a useful indicator of whether their relative value and relative compensation align. Further, the FPSLRA states that there is a need to maintain appropriate relationships with respect to compensation between classifications and levels.

Due to the specific nature of the work conducted by officers, there is no direct internal comparator to the SO group in the CPA. The SO group comprises positions that are primarily involved in the on-board command and control of the operation of civilian vessels, the operation of floating plants, the operation and maintenance of radio equipment installed on vessels engaged in marine operations, and the instruction of Nautical Sciences and Marine Engineering at the Canadian Coast Guard (CCG) College.

2.1.1 Comparison of Internal Wage Growth, 2002 to 2013

An analysis of total cumulative increases⁴ (chart 1) shows that the SO group has experienced higher increases than those received by the average CPA employee. From 2002 to 2013, total cumulative increases received by the SO group (approximately 31.3%) have been higher than those received, on average, in the CPA (27.5%).

⁴ Includes economic increases, restructures, terminable allowances and other pay adjustments.



2.2 External Comparability

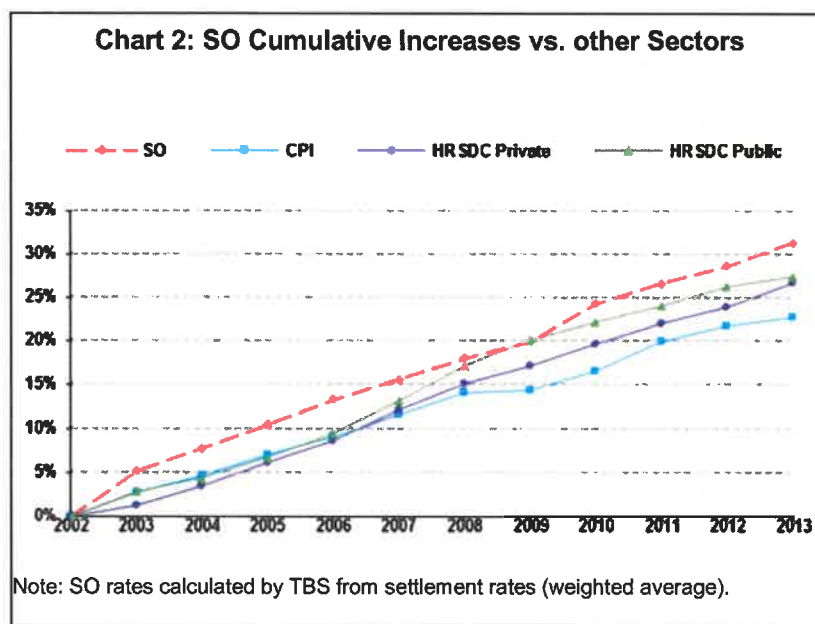
This section compares SO pay rates to those offered in the external market. Using recent trends and demonstrating the effect of the Employer's offer, there is solid evidence to support the Employer's offer of 1.25% annually over four years. This is the pattern established with 97% of the represented CPA population, and there is no evidence to support a deviation from this pattern.

The Government of Canada's stated objective is to provide compensation that is competitive with, but not leading, compensation provided for similar work in relevant external labour markets. TBS reviews labour market trends nationally and it commissions third-party human resources experts to conduct primary and secondary research at the occupational-group level. National trends guide compensation decisions. TBS relies on the findings of their commissioned experts' market surveys to determine whether targeted wage measures are appropriate. These experts define the external market and find comparable positions to those within the Government of Canada. For example, engineers compare to engineers, administrators to administrators, and criminal prosecutors to criminal prosecutors.

2.2.1 Comparison of External Cumulative Increases

Chart 2 shows total cumulative wage increases for the SO group from 2002 to 2013, and clearly demonstrates that the SO group remained competitive with the external market in terms of wage growth.

The *Expenditure Restraint Act* (ERA) restrained wage growth⁵ across the CPA during this period; it set all wage increases prior to December 8, 2008 that had not yet been set, and provided 1.5% increases to all rates of pay for 2008-09, 2009-10 and 2010-11. However, officers received a restructure above and beyond the 1.5% pattern during that period, pursuant to the arbitral award dated June 27, 2008. Section 33 of the ERA provided an exemption for the SO group and these increases have remained.



Overall, the wage growth for the SO group from 2002 to 2013 (31.3%) significantly outpaced cumulative increases in public (27.5%) and private (26.7%) sector settlements (as measured by HRSDC⁶), and cumulative price increases (22.8%) as represented by the change in Consumer Price Index (CPI) inflation.

⁵ Wage growth includes all economic increases, restructures, terminable allowances and other pay adjustments.

⁶ Wage settlements as reported by HRSDC for Employers that have more than 500 unionized employees. These data are weighted averages of the annual percentage 'adjustments' in 'base rates' during the period covered by the settlements. The 'base rate' is the wage rate of the lowest paid classification containing a significant number of qualified workers in the bargaining unit. The 'adjustments' include such payments as restructures and estimated cost-of-living allowance.

2.2.2 Deloitte Wage Comparability Study

The Employer engaged the human resources consulting firm Deloitte to undertake a review of the external marketplace for the Marine Operations (SO-MAO) sub group to determine the competitiveness of compensation of selected benchmark positions within the CCG working at DFO - the largest department employing officers. The SO-MAO sub group was selected for the wage study as it contains the majority of the bargaining unit population.

The results of the wage comparability study show that the wages of officers are in line with the market. Tables 4 and 5 summarize the results of the external comparison for the SO group. The results include the primary and secondary research completed by the consultant.

Findings of the SO Wage Comparison – Primary Research

Deloitte conducted primary research where they matched SO benchmark positions to the market. Table 4 includes results for the three SO-MAO classification level⁷ where data was collected. The results show that officers at those levels were either comparable or slightly ahead of the market. Overall, the results show that officer wages are in line with the market.

Table 4: Comparison of SO salaries with Market Comparators

SO Level	TBS Hourly Max Base Salary 2013-2014	Market Hourly P50 Base Salary 2013-2014	TBS Max vs Market P50
SO-MAO-03	\$31.43	\$28.50	10.3%
SO-MAO-04	\$33.21	\$31.62	5.0%
SO-MAO-07	\$38.27	\$35.74	7.1%

Findings of the SO Wage Comparison – Secondary Research

To supplement the SO-MAO primary data, Deloitte conducted a subsequent assessment using publicly available secondary sources of information, including job postings from recruiting websites and collective agreements.

⁷ The other levels were not included in the table due to lack of participation in the survey and inability to collect primary data.

Table 5 shows that the eight SO-MAO classification levels included in this assessment were either comparable or ahead of the market. Once again, the results show that officer wages are in line with the market.

Table 5: Comparison of SO salaries with Market Comparators

SO Level	TBS Hourly Max Base Salary 2013-2014	Market Hourly P50 Base Salary 2013-2014	TBS Max vs Market P50
SO-MAO-03	\$31.43	\$31.73	-0.90%
SO-MAO-04	\$33.21	\$35.02	-5.20%
SO-MAO-07	\$38.27	\$36.79	4.00%
SO-MAO-08	\$40.26	\$44.37	-9.30%
SO-MAO-09	\$49.49	\$43.76	13.10%
SO-MAO-10	\$53.94	\$48.18	12.00%
SO-MAO-11	\$59.41	\$50.48	17.70%
SO-MAO-12	\$64.75	\$53.42	21.20%

Methodology

The Employer considers its compensation levels to be competitive if their maximum wage is comparable to the market data at the 50th percentile.

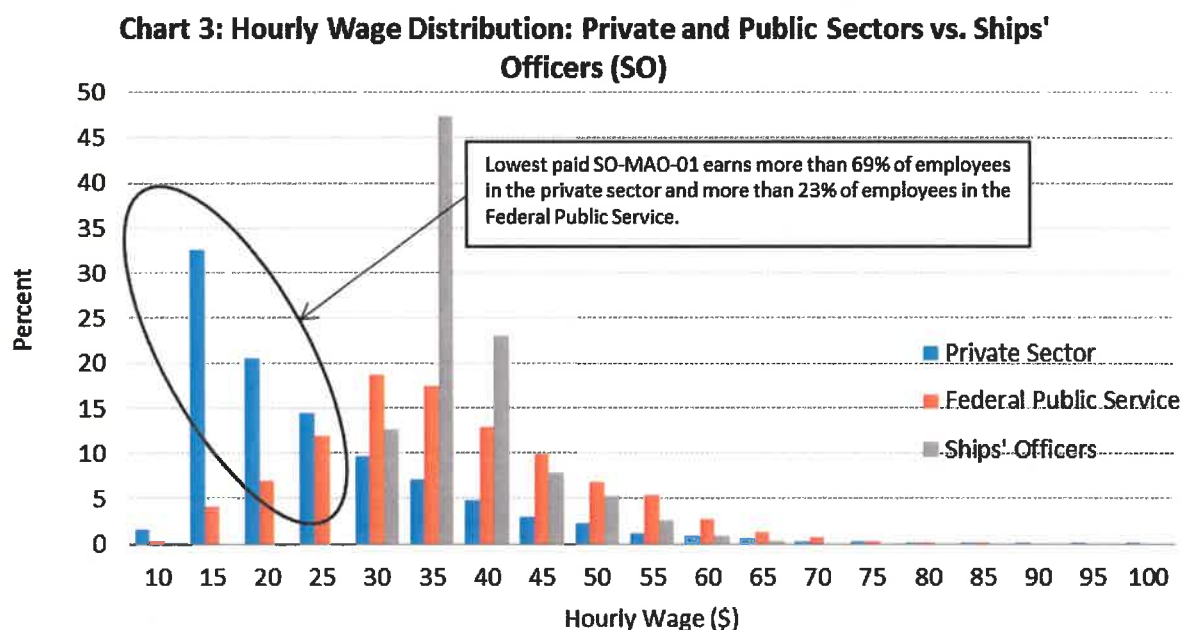
- The maximum level of a salary range is a good indicator of the expected salary of federal government employees. Generally, all federal public sector employees will achieve the top of their salary band based on an acceptable level of performance.
- Outside the public sector at any given level, the 50th percentile represents the expected salary for “fully competent” working level employees. Advancement to the maximum end of a salary range is discretionary, and is often reserved for a minority of high-performing employees.
- The choice of the 50th percentile as an acceptable benchmark is consistent with TBS' key guiding compensation principle; TBS wants compensation in the public service to be competitive with, but not lead, that provided for similar work in relevant external labour markets.

Compensation within plus or minus 10% of TBS's target market positioning are generally considered to be within competitive norms. By assuming a single competitive

rate, one would impose too high a level of precision on an analysis that requires subjective decisions in defining and comparing work across organizations.

2.2.3 Comparison with Private Sector and Federal Public Service

Statistics Canada's Labour Force Survey (LFS) tracks employment and wage growth in the Canadian labour force. Chart 3⁸ below shows how SO average hourly rates of pay compare to the private sector and the federal public service. The results demonstrate that the SO group is paid above the clear majority of Canadian workers, whose taxes pay their salaries. The lowest SO-MAO-01 earns more than 69% of employees in the private sector. In addition, the typical officer earns more than 75% of employees in the private sector. The typical SO also earns more than other federal public servants. This further reinforces the Employer's proposal for pattern economic increases that are consistent with those already received by over 97% of the CPA.



Source: Labor Force Survey (LFS) Data for June 2015 and December 2015. Ships' Officer data based on the March 2014 incumbent wage base, excluding allowances and other premiums), and without 142 employees at SA-MAO-00

⁸ Wage data reported in this table accounts for usual hours worked and usual wages earned by respondents during a typical week. These are normal paid or contract hours not including overtime and overtime compensation. Similarly, the SO average hourly wages exclude overtime.

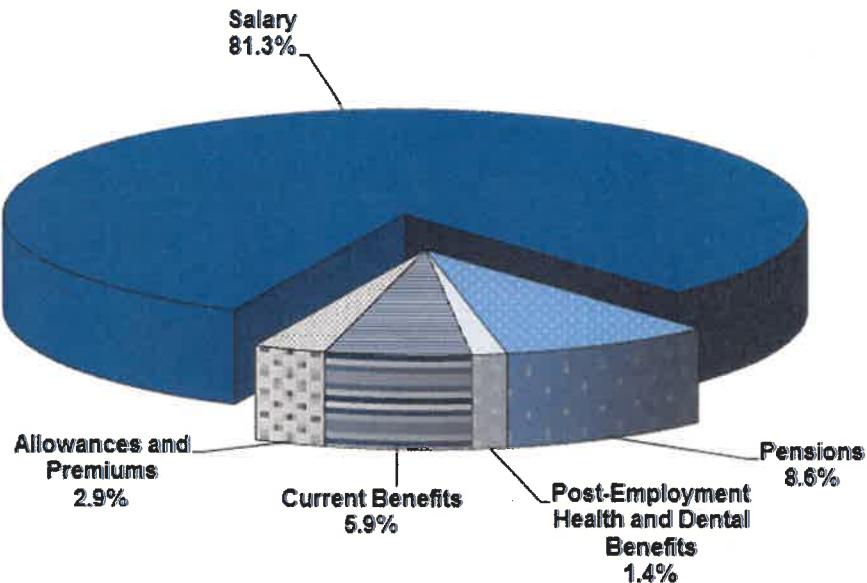
2.2.4 Total Compensation

Compensation comparisons should consider all elements of total compensation. All terms and conditions of employment, including supplementary benefits, need to be taken into account in evaluating external comparability, even if they are not subject to negotiation.

In addition to wages, total compensation is composed of paid and unpaid non-wage benefits, such as Employer contributions to pensions, other employee benefit programs (i.e., health and dental) and additional allowances.

A detailed breakdown of total compensation for an officer in fiscal year 2014-15 indicates that:

- Base pay represented 81.3% of total compensation for employees of the group.
- Allowances and premiums accounted for the remaining 2.9% of total compensation.
- About 15.6% of total compensation was accounted for by pension and benefits, including life and disability insurance, health and dental plans.

Chart 4: Total Compensation Components, Ships' Officers (2014-15)

Sources: Pay System, Entitlement and Deductions System, Pensions and Benefits Sector

Notes:

1. Base salary as of April 2014; allowances, premiums, pension and benefits are calculated based on 2014-15 data.
2. The figures above reflect the total remuneration package for a typical employee within the occupational group and do not reflect a particular employment classification level.
3. Pensions and post-employment health benefits and dental benefits are based on 50:50 contribution rates and the elimination of severance accumulation for voluntary departures.

2.3 Recruitment and Retention⁹

TBS sets compensation levels that enable it to recruit and attract qualified and motivated employees. For this purpose, TBS surveyed the two employing departments at the beginning of the negotiation round in 2014, to identify potential pressures and their impact on recruiting and retaining employees. No issues were raised for the SO group and neither DFO, the primary department employing officers (93% of officers), nor DND identified recruitment and retention issues.

Moreover, as noted in the data tables below, the SO population has remained relatively stable over the last five years compared to the CPA as a whole. The data tables below present information for the SO group in comparison to the average for the CPA.

It should be noted that the public service went through a restraint period from 2011-12 to 2015-16. As such, the data for these years reflect restraint measures that effected employment. During this period, the Government of Canada undertook the Deficit

⁹ The most recent recruitment and retention data available is for the 2015-2016 fiscal year.

Reduction Action Plan, strategic and operating reviews, and implemented an operating budget freeze through to 2015-16.¹⁰ These measures had direct effects on hiring and employment levels across the government.

Table 6: Population¹¹

SO Population	2011-12	2012-13	2013-14	2014-15	2015-16
Annual average population	1,129	1,116	1,088	1,067	1,064
Year-to-year change (y/y)	-	-1.1%	-2.5%	-2.0%	-0.3%
<i>CPA change (y/y)</i>	-	-2.8%	-4.7%	-2.8%	-1.6%

Table 6 shows that the population of the SO group remained relatively stable over the last five fiscal years, averaging a reduction of 1.5% during the reference period marked with restraint measures. This was much lower than the average CPA reduction of 3.0% over the same period.

Table 7: Separations¹²

Separations	2011-12	2012-13	2013-14	2014-15	2015-16
External separations	55	83	77	75	67
Internal Separations	13	11	20	10	12
Total Separations	68	94	97	85	79
Total separation rate	6.0%	8.4%	8.9%	8.0%	7.4%
<i>CPA separation rate</i>	7.1%	8.3%	8.3%	7.5%	7.9%

¹⁰ The operating budget freeze held departmental budgets at their existing reference levels. Further, it required that departments fund wage increases from their existing funding levels in perpetuity, which is contrary to the convention of a central government fund providing for negotiated wage increases. This is an important consideration because departments would have to set aside contingency funds for wage increases as a trade-off for program spending.

¹¹ Unless stated otherwise, all figures in the table 6 include employees working in departments and organizations of the CPA (FAA Schedule I and IV) and they include all active employees and employees on leave without pay (by substantive classification) who were full- or part-time indeterminate and full- or part-time seasonal. The average population is based on a 12-months average over the fiscal year. The source for data is the TBS incumbent system.

¹² External separations are separations to outside the CPA. Internal separations are separations from the group to other groups within the CPA. Total Separations rates are calculated by dividing the number of external and internal separations in a given fiscal year by the average number of employees. The sources of data are the TBS mobility file and Public Service Commission appointment files.

The table above shows that there are no separation problems with the SO group. Their total separation rate has been declining since 2013-2014 and was lower than the CPA average in the last.

Table 8: Hiring¹³

Hiring	2011-12	2012-13	2013-14	2014-15	2015-16
External hiring	78	50	50	58	57
Internal hiring	30	21	8	12	23
Total hiring (External + Internal)	108	71	58	70	80
Total hiring rate	9.6%	6.4%	5.3%	6.6%	7.5%
<i>CPA total hiring rate</i>	6.9%	3.3%	4.1%	5.5%	6.9%

Table 8 shows that hiring in the SO group followed a similar trend to that in the CPA. Total hiring rates fell in 2012-13 and 2013-14 after the Government of Canada implemented restraint measures, and they increased in the following years. Moreover, the hiring rate for the SO group has outpaced the CPA's over all five of the fiscal years.

Hiring needs depend in large part on the rate at which employees leave the group. A valuable way to assess whether there are recruitment and retention pressures is to examine the evolution of the 'total hiring to total separations ratio' (Chart 5). This ratio is defined as the number of people hired into the SO group divided by the number of people leaving the SO group in the same year. When this ratio is greater than 1.0, the number of people hired is greater than that of those leaving, and recruitment and retention problems are unlikely.

¹³ External hiring includes hires from outside the CPA. It also includes employees whose employment tenure changed from casual, term or student to indeterminate or seasonal. Internal hiring includes hires to the group from other groups within the CPA. Total hiring rates are calculated by dividing the number of external and internal hires in a given fiscal year by the average number of employees. The source for data is the Public Service Commission appointment files.

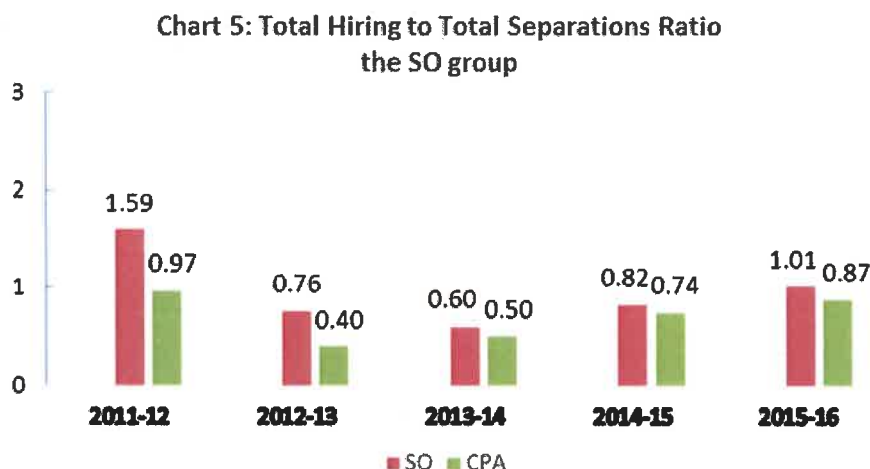


Chart 5 indicates that the SO group consistently outpaced the CPA average and it experienced healthy gains over the last two fiscal years. During this period, the hiring-to-separation ratio for the CPA as a whole remained lower than 1.0 due to restraint measures taken by the government under the Deficit Reduction Action Plan, with a rising trend by the end of the period.

Table 9: Job advertisements¹⁴

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Advertisements					
SO	5	11	7	7	11
CPA average	21	11	21	24	35
Total Applications					
SO	998	1,154	935	1,243	900
CPA average	6,003	5,653	6,383	4,391	7,803
Percentage of Applications Screened-In					
SO	97%	95%	97%	97%	90%
CPA average	82%	92%	86%	84%	83%

¹⁴ Figures include applications to external job advertisements from departments and organizations of the CPA (FAA Schedule I and IV). Data are for closed advertisement. Cancelled advertisements are excluded. Screened-in applications are those that meet the criteria of the advertisement. Averages for the CPA represent the mean across all groups in the CPA.

Table 9 presents job advertisement figures for the SO group. The data shows that SO positions were attractive to qualified external candidates. Not only did the SO group have a great number of applicants in the last five fiscal years, but the majority of them had the necessary qualifications to be screened-in providing with the Employer with a large pool of potential employees to hire.

Taken together, recruitment and retention indicators show that the SO group is healthy. There is no evidence to support increases above the 1.25% pattern established with the majority of represented CPA employees.

2.3.1 Public Service Employee Annual Survey Results (PSEAS) for the SO Group

Public Service Employee Annual Survey results were used to assess overall job satisfaction for employees in the SO group relative to the federal public service as a whole in 2014.

Looking at the PSES results for indicators of job satisfaction, the officer's responses were generally better than the public service average when looking at measures of overall job satisfaction, satisfaction with the department or agency of employment.

Mobility and Retention (PSES 2014)

The 2014 PSES survey included certain indicators for measuring mobility and retention including an employee's intention to leave their current position within the next two years.

Table 10: Intention to Leave Current Department

Q. 60 - I would prefer to remain with my department or agency, even if a comparable job was available elsewhere in the federal public service.	2014 PSES Survey - SO
	Positive (%)
Overall SO	65
Federal Public Service Average	57

The percentage of officers intending to stay in their current department if comparable jobs were available elsewhere (65%) was higher than the public service average (57%).

Table 11: Intention to Leave Current Position

Q. 61 -Do you intend to leave your current position in the next two years?	2014 PSES Survey - SO		
	Yes (%)	No (%)	Not Sure (%)
Overall SO	25	53	22
Federal Public Service Average	26	40	34

Officers intending to stay in their current position for the next two years (53%) was higher than the public service average (40%).

2.4 Economic and Fiscal Circumstances

The Canadian economy and the Government of Canada's fiscal circumstances were constrained in the post-recession recovery period, the same time period currently under negotiation for the new SO collective agreement. Federal government compensation that is affordable relative to the country's economic performance during that time will permit the Government to pursue budgetary commitments without undue strain.

The following section outlines the economic and labour market indicators that informed the Government of Canada's pattern of 1.25% annual economic increases. This includes an overview of gross domestic product growth, which is the main indicator of economic growth, consumer price inflation, wage growth, and employment growth. It also presents the Government of Canada's fiscal situation, as outlined by the Department of Finance, and it provides an overview of the risks facing Canada's economic health.

Real GDP growth

Real GDP growth, which is the standard measure of economic growth in Canada, provides an indication of overall demand for goods, services, and labour. Lower real GDP growth reduces demand for employment, which increases unemployment and lowers wage increases. Sharply falling real GDP leads to wage reductions and rollbacks, despite the extraordinary fiscal and monetary stimulus applied by governments during recessions.

Growth wavered in 2015 and 2016 since the recovery from the late 2000s recession had not taken full effect and excess economic capacity persisted. Forecasts of future growth suggest that the temporary rebound in 2017 will be followed by moderate growth in 2018.

Table 12: Real Gross Domestic Production, Year-over-year growth

Real GDP Growth (y/y)	2014	2015	2016	2017	2018 (F)
Statistics Canada	2.6%	0.9%	1.5%	3.0%	-
Consensus Economics ¹⁵	-	-	-	-	2.0%

The Consumer Price Index

The CPI tracks the price of a typical basket of consumer goods. Measuring price increases along with measuring wage growth demonstrates relative purchasing power over time. In 2015 and 2016, average inflation was at the low end of the Bank of Canada's 1.0 to 3.0 per cent target rate.

Beginning with the July 2017 interest rate announcement, the Bank of Canada raised its overnight lending rate three times in the span of six months after seven years of historically low levels, despite the resulting increased cost in borrowing. The January 2018 increase brought the rate to 1.25 per cent, its highest level since 2009, as inflation is expected to remain close to the 2.0 per cent target going forward. Upward inflation is such a concern that banks and governments are taking measures to support a potentially overheated housing market, which would be hit hard if interest rates on mortgages were to increase.

Table 13: Canada's Major Economic Indicators, year-over-year growth

Indicator ¹⁶	2014	2015	2016	2017	2018 (F)
CPI (y/y)	2.0%	1.1%	1.4%	1.6%	2.1%
GDP (y/y)	2.9%	1.0%	1.4%	3.0%	2.0%
Unemployment	6.9%	6.9%	7.0%	6.3%	5.8%

While forecasters are basing their modest expectations for growth on an assumption that our economic conditions will not deteriorate, the Canadian economy faces a number of risks that could seriously compromise growth prospects and the government's fiscal situation. Though GDP growth in 2017 was higher than in previous years, the Bank of Canada expects future growth to slow to more moderate levels now that excess economic capacity has been largely absorbed. Business investment is

¹⁵ This section draws on projections from Consensus Forecasts, a survey of financial and economic forecasters from around the globe that collects their estimates of a range of variables including future growth, inflation, interest rates and exchange rates. Nineteen respondents in Canada provide the national trend. The results find a central tendency for major economic indicators, controlling for overly optimistic and pessimistic projections. Unless stated otherwise, the survey results are for April 2018. The survey participants are listed in Annex A.

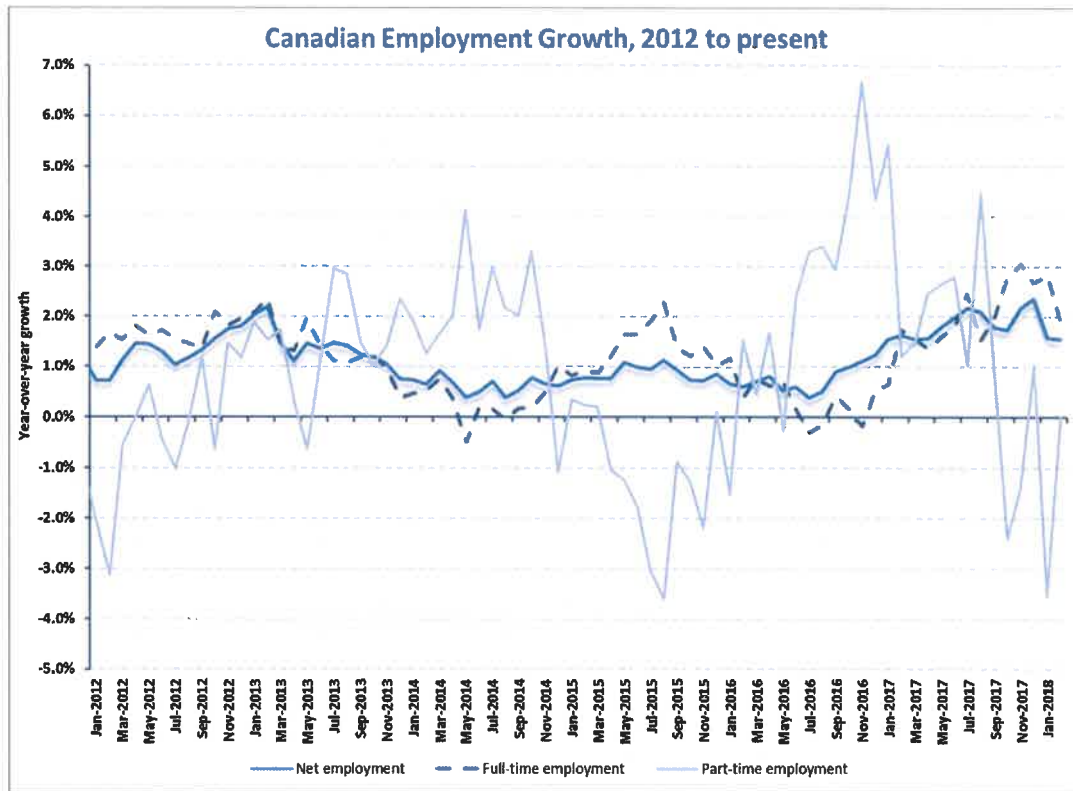
¹⁶ Data for 2014 to 2017 was taken from Statistics Canada while forecasts for 2018 were taken from the April 2018 Consensus Economics survey.

expected to grow moderately while household consumption is expected to slow down. While the Bank of Canada expects improved American and global economic conditions, it notes that a number of trade and policy risks remain. This means that the Government of Canada needs to exercise prudence in all areas of its spending, including compensation costs for federal employees, so that it can fulfill its commitments to growth and support of the middle class

Canadian employment growth

There was slack in the Canadian labour market during the post-recessionary period under negotiation. Job gains were mostly part-time positions in 2013 and then again outpacing full-time employment growth starting in 2016. Given the precariousness of employment, it is unsurprising that the employment growth rate lingered below 1.0% from December 2013 to April 2015 and then again from September 2015 to October 2016. Only recently have employment gains picked up.

Chart 4: Canadian Employment Growth



Fiscal Outlook

The Government of Canada has adopted the position that fiscally responsible deficit spending that targets Canada's middle-class can boost economic growth. Carrying out this approach to restoring Canada's economy requires trade-offs so that the Government of Canada avoids accumulating excessive debt loads. Higher debt levels lead to higher borrowing costs, especially as interest rates rise, constraining resources for spending priorities.

Responsible fiscal management, therefore, permits the Government of Canada to have room to maneuver if the economy falters and to spur economic growth and job creation over the long-term. With this in mind, the Government has committed to initial deficit spending and measures designed to support middle-class Canadians.

For example, in its previously tabled budget the middle-income tax bracket was reduced from 22.0% to 20.5%. For those at the top-end of this bracket, that means savings of \$670.50. Introduced in 2016, the Canada Child Benefit Program provides tax-free benefits to parents of nearly \$2,300 annually. A married couple with two children under ten, where one parent earns \$30,000 and the other earns \$60,000 would receive an increase of \$2,505 after taxes. From July 2018 onward, the benefits will automatically adjust with cost of living.

For seniors, the expanded Canada Pension Plan's maximum benefit of \$13,110 will increase by almost 50.0%. The new Canadian Workers Benefit provides a tax rebate for two million low-income workers, with the aim of lifting thousands out of poverty. For example, a worker making \$15,000 annually will save \$500 on their federal income taxes. New parents will also be able to take advantage of a new five extra weeks of parental leave through the employment insurance (EI) system. EI benefits will also be extended further for those staging their return to work after illness.

The Government of Canada's spending priorities were chosen based on its fiscal forecast. The government is currently in a deficit situation, with projected budgetary balances in Budget 2018 of \$-19.4 billion in 2017-18, and \$-18.1 billion in 2018-19.

Risks to the Outlook

The Bank of Canada has maintained a very low target for the overnight interest rate since the recession. The Bank has raised its overnight lending target twice in 2017, from 0.5 basis points to 0.75 basis points in July and to 1.0 basis points in September. It had been at or under 1.0 basis points for seven years without increases prior to July. In January 2018, the rate was increased again to 1.25 basis points, the highest rate since 2009.

Internally, the Bank of Canada observed that economic activity has been supported by accommodative monetary policy; the recent interest rate increases are less accommodative. The April 2018 Consensus Economics forecast expects further rate increases through 2019, potentially dampening economic activity. Business investment

has been sluggish since the recession and has only recently begun picking up in pace, though uncertainty surrounding the NAFTA negotiations and changes to the tax structure in the United States (US) could have a restrictive effect.

On the consumer side, the Bank of Canada expects household spending to decline and continues to raise caution about Canada's household debt levels. The Bank's Estimates indicate housing activity has contracted in the first quarter of 2018 in response to modified mortgage rules. Consumer sensitivity to interest rate increases could further dampen household spending and trigger an adjustment in house prices in regions with elevated valuations. A large decline in house prices would have adverse effects on residential investment and on related consumption and real estate services in the affected regions. Such a fall in house prices could further impact consumption through negative wealth and collateral effects.

Externally, the global economy is undergoing a fundamental structural shift. As a nation with a strong reliance on trade, Canada is not immune to international developments.¹⁷ As noted by the International Monetary Fund (IMF), populations in advanced economies are aging, thereby reducing workforce growth. China is undergoing a transition away from investment- and trade-intensive industrialization towards more moderate consumption-based growth. As noted by Deloitte, trade volumes in specific goods and commodities with China have slowed over the 2010-2015 period. This policy shift has the potential to further reduce demand for shipping.

At the same time, a shift toward protectionist trade policies from the US may have a further negative effect on trade, as three-quarters of Canadian exports are typically destined for the US. Uncertainty surrounds the NAFTA negotiations and the US has placed trade barriers on specific Canadian products. In response to an initial 292% countervailing duty, Bombardier is shifting some production of their C-series jet away from Canada and into the US. Despite the duty being overturned, production is nonetheless slated to begin in Alabama. New tariffs have been imposed on Canadian softwood lumber. Should NAFTA negotiations fail, Canada will not be exempted from new tariffs on steel and aluminum. Though Canada has filed a complaint with the WTO, the resolution process may take years to complete.

The decision of the United Kingdom to leave the European Union and growing numbers of anti-trade measures among major economies point to an increasing trend toward protectionism globally. The Bank of Canada cautions that fresh US-China trade disputes may have a dampening effect on global trade by depressing commodity prices and disrupting supply chains. With shipping supply growth already outpacing demand

¹⁷ According to Statistics Canada data, exports were 42% of Canadian GDP in 2016, following a trend of exports as a share of GDP hovering around 40% since 2011.

growth, new tariffs and trade restrictions could possibly spark a negative correction in the shipping industry.¹⁸

The global economy continues to be affected by the 2008–09 financial crisis and its aftermath – namely the build-up of debt in some countries and the need for financial system repair in others. This risks stifling global economic growth if central banks tighten monetary policy as the IMF expects them to do. Shipping, already affected by lower prices and volumes since their pre-financial crisis peaks, may face reduced levels of available credit and financing necessary for international trade inventory and shipping operations.

2.5 Provincial and Territorial Government Compensation

In addition to being out of step with the settlement trend in the CPA, the SO proposal ignores wage growth trends in the broader Canadian public sector. Wage increases in provincial and territorial governments have been modest in recent years. This reflects the fiscal burden on governments following the global recession and Canada's economic recovery. For example, the Government of Ontario implemented two years of salary freezes for 2014-15 and 2015-16 and the Government of Nova Scotia legislated 0.75% annual wage increases for 2015-16 until 2018-19. Covering similar periods, the Government of Canada has negotiated wage increases of 1.25% annually with 23 bargaining agents that represent over 97.4% of the bargained employees in the core federal public administration.

Table 14 presents the average annual compounded increase for the provincial and territorial governments and for the Government of Canada from 2014-15 to 2018-19. The table includes the recently ratified agreement between the Government of Ontario and the Ontario Public Service Employees Union (Unified), which covers four years from 2017-18 to 2021-22. Provinces where the federal government has a larger proportion of employees contributed more to the overall weighted average than provinces and territories with fewer federal employees. As the table shows, the Government of Canada's pattern (1.25%) exceeds the pattern in the provinces and territories (1.03%). The trend in the public sector, in recent years, has been to agree to terms that provide modest wage increases in recognition of the public sector's precarious financial situation.

There would need to be a significant, evidence-based rationale to provide wage increases that deviate from the established patterns in the CPA and in the broader Canadian public service. The evidence outlined in this briefing, from internal and external relativity, to recruitment and retention, demonstrates that the Employer's offer is reasonable and fair.

¹⁸ Deloitte, in *Shipping: Sailing in troubled waters (Global Economic Outlook, Q1 2017)* notes that global shipping demand has not reached pre-recession peaks. Despite this, the shipping capacity has increased at a higher rate than demand.

Table 14: Average Annual Wage Increases for Employees of Canadian Governments¹⁹

Province ¹	2014-15	2015-16	2016-17	2017-18	Annualized over 4 Years
Alberta	2.0%	2.3%	2.5%	----	----
British Columbia	0.0%	1.0%	1.5%	1.5%	1.0%
Manitoba	1.0%	2.0%	2.0%	1.0%	1.5%
New Brunswick	0.0%	1.0%	1.0%	1.0%	0.7%
Newfoundland and Labrador	2.0%	3.0%	----	----	----
Northwest Territories	2.5%	3.3%	----	----	----
Nova Scotia ²	3.0%	0.0%	0.0%	1.0%	1.0%
Nunavut	2.0%	1.0%	1.0%	2.0%	1.5%
Ontario ³	0.0%	0.0%	1.4%	1.5%	0.7%
Prince Edward Island	1.5%	1.5%	4.0%	2.0%	2.2%
Quebec ⁴	3.0%	0.0%	1.5%	1.8%	1.6%
Saskatchewan	1.7%	1.7%	----	----	----
Yukon	1.8%	2.0%	1.5%	1.5%	1.7%
Weighted Average ⁵	1.2%	0.4%	1.5%	1.5%	1.1%
Government of Canada	1.25%	1.25%	1.25%	1.25%	1.25%

Notes:

1. Provincial rates are those provided to their major public administration bargaining agents. Rates are presented in the fiscal year in which they take effect. In instances where there are two increases within a fiscal year, the rates are added rather than compounded. The difference in the rate is minimal.
2. The Government of Nova Scotia passed Bill 148, An Act Respecting the Sustainability of Public Services, which set limits on the wage increases it could provide public servants for fiscal years 2015-16 to 2018-19. The limits are presented in this table. No agreement has been reached to date.
3. Ontario's figures average the rates for its two largest public sector unions: the Association of Management, Administrative, and Professional Crown Employees of Ontario and the Ontario Public Sector Employee Union.
4. The Government of Quebec provided internal relativity payments for 2019-20 to address pay equity issues. The rate presented is the weighted average of the increases provided.
5. The weighted average is calculated using the Government of Canada's population as of March 31, 2016, (retrieved from InfoBase+) and includes entities in Schedules 1, I.1 and V of the Financial Administration Act.

¹⁹ Wage increases in for provincial governments were calculated based on data obtained from provincial-government representatives and cross-references with the Labour Program's Negotech database of collective agreements. The provincial government rate is a weighted average for all provinces and territories with agreements covering those years. The Government of Canada's geographic population distribution was used as the weight.

Table 15: Provincial and Territorial Governments without Collective Agreements in Place

2014-15	2015-16	2016-17	2018-19
NIL	NIL		Alberta
		Newfoundland and Labrador	Newfoundland and Labrador
		Northwest Territories	Northwest Territories
		Saskatchewan	Saskatchewan

PART III – EMPLOYER'S SUBMISSION FOR RATES OF PAY AND DURATION AND RESPONSE TO THE GUILD'S PROPOSALS

Table 16 below compares the Employer's and bargaining agent's proposals for wage increases.

Table 16: The Employer's and the Bargaining Agent's Wage Proposals

EMPLOYER PROPOSAL	BARGAINING AGENT PROPOSAL
On April 1, 2014, increase rates of pay by 1.25%.	On April 1, 2014, increase rates of pay by 1.25%
On April 1, 2015, increase rates of pay by 1.25%.	On April 1, 2015, increase rates of pay by 1.25%.
On April 1, 2016, increase rates of pay by 1.25%.	On April 1, 2016, increase rates of pay by 1.25%.
On April 1, 2017, increase rates of pay by 1.25%.	On April 1, 2017, increase rates of pay by 1.25%.
	On April 1, 2018, increase rates of pay by greater of CPI of 2.00%.
	Effective April 1 2016: 15% market adjustment; eliminate or adjust increments as required to implement market adjustment.
	Apply the economic increases and market adjustment to all allowances retroactively.
	Increase Lay Day factor from 1 to 1.17.
CUMULATIVE: 5.1%	CUMULATIVE: 30.2%

Bargaining Agent Proposal

The bargaining agent proposes annual economic increases of 1.25% for the first 4 years of the agreement, which is in line with the Employers' economic increases and that of the settlement trend in the CPA. However, the bargaining agent also proposes a fifth year at 2% economic increase, in addition to the 4 year economic increases, which has not been provided to any other groups in the CPA.

All 23 agreements settled to date in the CPA have a 4 year duration, with most expiring in 2018, including the agreement for the Border Services (FB) that will likely be signed after it expires on June 30, 2018.

The bargaining agent further proposes a market adjustment of 15% in the third year of the agreement, and that the economic increases and market adjustment be applied to allowances retroactively. This is not reflective of the current established pattern of agreements in the CPA.

The Guild is also proposing to increase the Lay Day factor from 1 to 1.17 days. The 1991-1994 SO Collective Agreement addressed this issue by increasing the annual rate of pay for officers on the lay day system by 12.75%, in exchange for reducing the lay day factor from 1.17 to 1.

The combination of the Guild's proposed annual economic increases, a 15% market adjustment, the indexing to the allowances, and increasing the Lay Day factor from 1 to 1.17, are equivalent to an overall increase of 30.2% compared to the 2014 SO group wage base.

The Employer is of the view that these proposals are unsubstantiated, based on the available data and associated metrics in relation to internal and external comparability.

The comparison of internal wage growth from 2002 to 2013 shows that the SO group has experienced higher increases than those received by the average CPA employee. From 2002 to 2013, total cumulative increases received by the SO group (approximately 31.3%) have been higher than those received, on average in the CPA (27.5%).

Overall, the wage growth for the SO group from 2002 to 2013 (31.3%) significantly outpaced cumulative increases in public (27.5%) and private (26.7%) sector settlements (as measured by HRSDC), and cumulative price increases (22.8%) as represented by the change in CPI inflation.

The 2014 SO wage study conducted by Deloitte, through primary and secondary research, shows that the wages of the SO-MAO-03, 04 and 07 levels are in line with the market. The study further shows, through secondary research, that the eight SO-MAO classification levels included in this assessment were either comparable or ahead of the market.

Moreover, the bargaining agent's proposals violate the replication principle of interest arbitration. The Guild is seeking significant increases to wages that largely exceed the pattern established within the CPA. As seen in Part 1 of this brief, 23 collective agreements have been completed in the CPA to date, covering 97% of the represented employee population. These agreements all contained base economic increases of 1.25% and specific targeted measures in the third year. For the vast majority of employees, these third year targeted increases consisted of minor wage adjustments or a signing bonus.

Employer Proposal

The Employer's economic offer, which includes a wage increase of 1.25% annually, is deemed significantly more fair and equitable than the Guild's proposal. The Employer's proposal is in keeping with the analysis included in the previous sections, and it is consistent with the overall proposal made to the bargaining agent in negotiations.

PART IV – EMPLOYER'S SUBMISSION ON OTHER OUTSTANDING ISSUES

In addition to rates of pay, the Guild identified a number of other issues that need to be resolved to conclude an agreement. This section will assess each of the following:

Article 12 – Statement of Duties

Article 14 – Information for Officers

Article 20 – Vacation Leave with Pay

Article 24 – Travelling Time

Article 25 – Meals and Quarters

Article 30 – Hours of Work and Overtime

Article 35 – Pay and Administration

Article 36 – Officer Performance Review and Officer File

Article 40 – Dirty Work Allowance

Article 43 – Duration and Renewal

Appendix E – Canadian Coast Guard Officer Cadets

Appendix F – Special Allowances

Appendix G – Extra Responsibility Allowance

Appendix H – Lay Day Operational Crewing System

New Provision – Memorandum of Agreement

Article 12 – Statement of Duties**Bargaining Agent's submission of the Employer Proposal**

12.01 Upon appointment ~~written request~~, an officer shall be provided ~~entitled to~~ with an official statement of the duties and responsibilities of the officer's **substantive** position including the position's classification level and where applicable, the point rating allotted by factor to the position.

Employer Proposal

12.01 Upon appointment ~~written request~~, an officer shall be provided ~~entitled to~~ with an official statement of the duties and responsibilities of the officer's **substantive** position including the position's classification level and where applicable, the point rating allotted by factor to the position.

Remarks:

The Employer is proposing to amend the wording in clause 12.01 to require the Employer to provide newly appointed officers with an official statement of duties and responsibilities for their substantive position.

Given the continuing trend of generic job descriptions, the Employer is questioned on the work descriptions being accurate, complete and up to date. The proposal is meant to ensure that every officer receives a statement of current duties and responsibilities existing as of the date of appointment.

The Guild has agreed to the Employer's proposal to amend clause 12.01; the Guild's response to the Employer's proposal is included at Appendix C (Form 10 Appendix A filed with the PSLREB by the Guild on December 14, 2017).

It should be noted that the Employer Proposal submitted to the Board by the Guild in Form 10 Appendix A varies slightly from that proposed by the Employer. The Employer proposed to delete the word "official" from this clause as noted above.

While this may be an oversight on the Guild's part, the Employer proposes that the Employer's proposal, which does not include the word official be included in the arbitral award.

Article 14 – Information for Officers

Employer Proposal

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.

Remarks:

The Employer is proposing new language that allows for electronic access to the collective agreement as an alternative to hard-copy (printed).

The Employer's proposal for electronic access to the collective agreement is consistent with its policies and commitments to environment and greening and is cost-effective.

The language recognizes that in situations where no electronic access is available or feasible, the employee would still be provided with a printed copy of the collective agreement upon request.

It should also be noted that 18 of 27 CPA collective agreements now contain the same or similar language on access to electronic copies of the agreement. Only two collective agreements have no such provision.

The Public Interest Public Interest Commission (PIC) issued a decision on the Border Services (FB) Group on March 12, 2018, on this issue. As noted below, the PIC recommendation supported the language included in the Employer's proposal, which is very similar to what it proposed in this Brief:

We have decided to recommend that the Employer's proposal be incorporated in the collective agreement. The proposal reads as follows:

10.02 The Employer agrees to supply each employee with a copy of this Agreement. For the purpose of satisfying the Employer's obligation under this clause, employees may be given electronic access to this Agreement. Where electronic access is unavailable, the employee shall be supplied, on request, with a printed copy of this Agreement.

While the Employer is not opposed to providing a limited number of paper copies of the collective agreement on the vessels, officers have access to computers on vessels; CDs which contain all acts and regulations such as the Canada Shipping Act have been placed on vessels. The collective agreements could be placed on CDs, downloaded on USB Keys or even imbedded on each computer on the vessels.

The SO group is a professional and highly technical group and should be able to use the electronic version of the collective agreements.

The Employer recommends that the Board include this language in the arbitral award.

Article 20 – Vacation Leave with Pay

Employer Proposal

20.10 Carry-Over and/or Liquidation of Vacation Leave

- a. Where in any vacation year, an employee has not been granted all of the vacation leave credited to him or her, the unused portion of his or her vacation leave credits up to a maximum of two hundred and **forty (240)** ~~eighty (280)~~ hours for those officers working under Appendix K and L, two hundred and **fifty-two (252)** ~~ninety-four (294)~~ hours for those officers working under Appendix I, ~~three hundred and twenty-six decimal two (326.2)~~ **two hundred and seventy nine point six (279.6)** hours for those officers working under Appendix J; and ~~three hundred and thirty-six (336)~~ **and two hundred and eighty eight (288)** hours for those officers working under Appendix H, shall be carried over into the following vacation year. All vacation leave credits in excess of the foregoing maxima shall be automatically paid in cash at his or her rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on the last day of the vacation year.
- ~~b.~~
- ~~i. Notwithstanding paragraph (a), on the date of signing of this Agreement or on the date an officer becomes subject to this Agreement, he or she has more than the limits provided in paragraph (a) above of unused vacation leave credits earned during previous years, this number of unused vacation leave credits shall become the officer's accumulated leave maximum.~~
- ~~ii. Unused vacation leave credits equivalent to the officer's accumulated leave maximum shall be carried over into the following vacation year.~~
- ~~iii. Unused vacation leave credits in excess of the officer's accumulated leave maximum shall be automatically paid in cash at his or her rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on the last day of the vacation year.~~

Remarks:

The Employer is proposing to decrease the maximum available carry-over of vacation leave for all officers. When the excessive carry-over is added to the next annual bank of leave credits, it continues to increase the financial burden imposed on any cash outs of excessive leave.

In addition, the Employer is proposing to delete subparagraphs 20.10 (b)(i), (ii) and (iii) since the overall intended purpose of the paragraph 20.10 (a) is to reduce the liability and burden of the vacation leave accumulation and carry-over. The language contained in paragraph 20.10(b) defeats this purpose. The "notwithstanding" clause at

subparagraph 20.10 (b)(i) negates the maximum unused cap portions of vacation leave allowed in paragraph (a) and the remaining language at subparagraphs (ii) and (iii) allows a new, and even higher, limit to be established from previous years of carry-over and for cash-out.

This proposal would provide stronger incentive and encouragement for employees to use their leave credits in the year they are earned and expected to be used.

This will also increase financial certainty and predictability, and reduce risks of cash outs of large amounts of leave. This action helps departments predict and manage their budgets from year to year without the additional liability of large leave banks.

Existing leave carry-over data shows that that officers are not using the leave they are presently entitled to and the carry-over of earned but unused vacation leave has become a major liability for the Employer over the years.

While the Employer is proposing to decrease the maximum available carry-over of vacation leave, it takes into consideration the various scheduling systems worked by individual officers (i.e., 40 hour, 42 hours, 46.6 hours or layday) by adjusting the maximum carry over amount accordingly.

This proposal is aligned with the Employer's approach with respect to maximum carry-over across all bargaining agents/units. Currently, most collective agreements in the CPA contain provisions that limit the level of earned but unused credits that may be carried over into the following vacation year to a maximum of 262.5 hours or 35 working days.

The current paragraph 20.10(a) is significantly more advantageous to employees than the provisions dealing with the same subject matter in other collective agreements given that an officer's maximum available carry-over is dependent on the scheduling system to which he or she is assigned.

Based on the above, the Employer recommends that the Arbitration Board include the Employer's proposed changes in the arbitral award.

Article 24 – Travelling Time

Union Proposal

24.04 If an officer is required to travel as set forth in clauses 24.02 and 24.03:

- a. On a normal working day on which the officer travels but does not work, the officer shall receive his/her regular pay for the day.
- b. On a normal working day on which the officer travels and works, the officer shall be paid:
 - i. the officer's regular pay for the day for a combined period of travel and work not exceeding the officer's normal daily hours of work;
and
 - ii. at the applicable overtime rate for additional travelling time in excess of the officer's normal daily hours of work, with a maximum payment for such additional travelling time not to exceed ~~eight (8)~~ **nine (9)** hours' pay at the straight-time rate in any day.
- c. On a day of rest or on a designated holiday on which the officer travels, the officer shall be paid at the applicable overtime rate for travelling time to a maximum of ~~eight (8)~~ **nine (9)** hours' pay at the applicable overtime rate.

Appendix "H"

Lay-Day Operational Crewing System

Article 24 - Travelling Time

An officer who is subject to Appendix "H" and who travels on a lay-day in accordance with the provisions of clauses 24.02 and 24.03 of the Collective Agreement shall be paid at the applicable overtime rate as specified in the overtime clause of Appendix "H" for travelling time to a maximum of ~~eight (8)~~ **nine (9)** hours' pay at the applicable overtime rate.

Remarks:

The Guild is proposing to amend subparagraph 24.04(b)(ii) to increase the maximum payment for travelling time on a normal working day from 8 hours' pay at straight time to 9 hours' pay at straight time on a normal working day.

The Guild is also proposing to amend paragraph 24.04(c) to increase the maximum payment for travelling time on a day of rest, or on a designated holiday, from 8 hours' pay at the applicable overtime rate to 9 hours' pay at the applicable overtime rate.

In addition, the Guild is proposing to amend appendix H, Lay days operational crewing system article 24 travelling time, to increase the maximum payment for travelling time on a lay-day at the applicable overtime rate from a maximum of 8 hours to a maximum of 9 hours at overtime rate.

In its comprehensive offer of September 12, 2017, the Employer provided the following counterproposal to the Guild as part of a negotiated settlement, which the Guild declined:

24.04 If an officer is required to travel as set forth in clauses 24.02 and 24.03:

- a. On a normal working day on which the officer travels but does not work, the officer shall receive his/her regular pay for the day.
- b. On a normal working day on which the officer travels and works, the officer shall be paid:
 - i. the officer's regular pay for the day for a combined period of travel and work not exceeding the officer's normal daily hours of work;

and
 - ii. at the applicable overtime rate for additional travelling time in excess of the officer's normal daily hours of work, with a maximum payment for such additional travelling time not to exceed ~~eight (8)~~ **twelve (12)** hours' pay at the straight-time rate in any day **or not to exceed fifteen (15) hours' pay at the straight-time rate of pay when the travel is outside Canada or the Continental USA.**
- c. On a day of rest or on a designated holiday on which the officer travels, the officer shall be paid at the applicable overtime rate for travelling time to a maximum of ~~eight (8)~~ **twelve (12)** hours' pay at the ~~applicable overtime rate~~ **straight-time rate or not to exceed fifteen (15) hours' pay at the straight-time rate of pay when the travel is outside Canada or the Continental USA.**

The Employer submits that the Employer's counterproposal to the Guild is generally consistent with entitlements found in the "travelling time" provisions of most other CPA agreements, including the AO, SP, NR, AV and EC agreements.

All agreements in the CPA refer to maximum payments for travelling time of either 12 hours' pay or 15 hours' pay at the straight-time rate. The Guild is the only one referring to the maximum cap at the applicable overtime rate.

As seen in the table below, groups such as the Boarder Services (FB), Program Administration (PM) and Administrative Services (AS) groups all have higher travelling time usage than the SO group. These groups all provide for a maximum of either twelve or fifteen hours' pay at the straight-time rate of pay.

Chart 6

Travelling time in the CPA, by occupational group - FY 2013-14

Amount paid and number of recipients

Occupational group	Amount paid	Number of recipients
FB	\$4,044,220	3,731
PM	\$2,151,941	2,523
AS	\$1,119,498	850
SO	\$1,070,342	750

The Employer's approach for all 15 bargaining agents, representing 27 Bargaining Units covering 178,979 unionized employees, is to apply, to the best of its ability, a common approach and level of entitlements.

The Phoenix pay system is presently experiencing a wide range of compensation issues that the Employer is trying to resolve with PSPC. Standardized conditions across collective agreements would facilitate the operations of pay administration within the Phoenix pay system.

The Employer proposes that the Board include the Employer's proposal in the arbitral award.

Article 25 – Meals and Quarters

Union Proposal																																							
<p>CURRENT LANGUAGE</p> <p>25.02 When an officer is working on a vessel on which meals and/or quarters normally provided as per clause 25.01 are not available, and the Employer does not provide alternative meals and/or quarters, an officer shall be entitled to:</p> <p>a. when the vessel is away from home port, reimbursement for actual and reasonable costs incurred for meals and lodging;</p> <p>b. when the vessel is in home port, ten dollars and ninety-eight cents (\$10.98) per day in lieu of meals and quarters for a regular working day of less than twelve (12) hours and twelve dollars and three cents (\$12.03) per day in lieu of meals and quarters for a regular working day of twelve (12) hours or more. (Arbitral Award, effective April 1, 2013)</p> <p>25.03 When an officer is working on a vessel on which meals and/or quarters are not normally provided and the Employer does not provide alternative meals and/or quarters, the officer shall be entitled to:</p> <p>a. when the vessel is in home port, ten dollars and ninety-eight cents (\$10.98) per day in lieu of meals and quarters for a regular working day of less than twelve (12) hours and twelve dollars and three cents (\$12.03) per day in lieu of meals and quarters for a regular working day of twelve (12) hours or more. (Arbitral Award, effective April 1, 2013)</p>	<p>NJC RATES</p> <p>Canadian \$ (taxes included)</p> <table border="1"> <thead> <tr> <th>1.1 Private non-commercial accommodation allowance</th> <th>Canada & USA</th> <th>Yukon & Alaska</th> <th>N.W.T.</th> <th>Nunavut</th> </tr> </thead> <tbody> <tr> <td>Day 1 – 120</td> <td>\$50.00</td> <td>\$50.00</td> <td>\$50.00</td> <td>\$50.00</td> </tr> <tr> <td>Day 121 onward</td> <td>\$25.00</td> <td>\$25.00</td> <td>\$25.00</td> <td>\$25.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>1.2 Meal allowances</th> <th>Canada & USA</th> <th>Yukon & Alaska</th> <th>N.W.T.</th> <th>Nunavut</th> </tr> </thead> <tbody> <tr> <td>Meal allowance total – 100% (up to 30th day)</td> <td>\$86.80*</td> <td>\$99.35</td> <td>\$112.40</td> <td>\$149.60</td> </tr> <tr> <td>Meal allowance total – 75% (31st to 120th day)</td> <td>\$65.10*</td> <td>\$74.55</td> <td>\$84.35</td> <td>\$112.20</td> </tr> <tr> <td>Meal allowance total – 50% (121st day onward)</td> <td>\$43.45*</td> <td>\$49.70</td> <td>\$56.25</td> <td>\$74.85</td> </tr> </tbody> </table>				1.1 Private non-commercial accommodation allowance	Canada & USA	Yukon & Alaska	N.W.T.	Nunavut	Day 1 – 120	\$50.00	\$50.00	\$50.00	\$50.00	Day 121 onward	\$25.00	\$25.00	\$25.00	\$25.00	1.2 Meal allowances	Canada & USA	Yukon & Alaska	N.W.T.	Nunavut	Meal allowance total – 100% (up to 30 th day)	\$86.80*	\$99.35	\$112.40	\$149.60	Meal allowance total – 75% (31 st to 120 th day)	\$65.10*	\$74.55	\$84.35	\$112.20	Meal allowance total – 50% (121 st day onward)	\$43.45*	\$49.70	\$56.25	\$74.85
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<p>b. when the vessel is berthing for one or more nights away from home port, reimbursement for actual and reasonable costs incurred for meals and lodging.</p>	
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Remarks:

The Guild is proposing to replace the meals and quarters allowance with the meal allowance and private non-commercial accommodation allowance set out in the National Joint Council (NJC) Travel Directive. The Guild has not proposed any specific wording for the requested change.

The rates and allowances set out in the NJC Travel Directive provide for the reimbursement of reasonable expenses necessarily incurred while travelling on government business and were established to ensure employees are not out of pocket.

Away from Home Port - Paragraphs 25.02(a) and 25.03(b):

Paragraphs 25.02 (a) and 25.03(b) apply when Ships' Officers are away from home port, on travel status and meals and quarters are not available.

NJC Travel Directive:

Section 4.2 of the NJC Travel Directive deals specifically with travel status circumstances for Ships' Officers and Ships Crews.

Paragraph 4.2.3 states that:

*"when the self-contained vessel itself is outside the actual headquarters area, the employee **shall be in travel status whenever required by the employer to leave the vessel and go ashore** (except when billeted ashore), and when, during such absence, the employee remains outside the actual headquarters area."*

Paragraph 4.2.5 also states that:

*"Entitlement to accommodation expenses and meal and incidental expense allowances during each period of required absence from the vessel shall be governed by this directive as applicable. Notwithstanding the foregoing, there **shall be no entitlements in respect of meals and accommodation while the employee is ashore if appropriate entitlements in such circumstances are provided for in a collective agreement applicable to the employee.**"*

Currently, under paragraphs 25.02(a) and 25.03(b), officers are reimbursed "actual and reasonable costs", when meals and quarters are not provided on the vessel. As such,

employees must provide detailed receipts to support their expenses. The Employer submits that this is not an unreasonable request to make of employees.

In proposing to replace the meals and quarters allowance in the Collective Agreement with NJC allowances, the Guild is effectively asking the Employer to change the expense methodology. The proposal would provide officers who are away from home port with fixed amounts for meals that are predetermined, without using the actual cost - without having the employee support the expenses with a receipt.

The Employer submits that the current "actual and reasonable expenses" approach under the SO Collective Agreement adopts a fair approach, given different costs in different locations. The cost of an acceptable lunch or lodging can differ greatly from one location to another.

Also, officers do not normally find themselves in normal travel situations. They often travel to locations people normally don't go and places where costs are higher. As such, the current, "actual-cost" approach to meals and quarters is in the best interest of the members of this group.

Moreover, the Guild has not presented any strong evidence supporting changing the approach for reimbursing meals and lodging expenses.

In Home Port - Paragraphs 25.02(b) and 25.03(a)

Paragraphs 25.02 (b) and 25.03(a) apply when officers are reporting to work, when the vessel is in home port, and meals and quarters are not available. This is not a situation where travel status applies.

The Employer submits that it would not be appropriate that entitlement for accommodation expenses and meal allowances be governed by the NJC Travel Directive. As indicated above, the purpose of the NJC Travel Directive is to provide for the reimbursement of reasonable expenses necessarily incurred while travelling on government business and to ensure employees are not out of pocket. These provisions do not constitute income or other compensation that would open the way for personal gain.

It should be noted that the Employer proposed, in its comprehensive offer to negotiate a settlement of September 12, 2017, to increase the meal and quarters allowance to reflect the economic increase for wages. This was declined by the Guild.

For all the reasons set out above, the Employer requests that the Guild's proposals at article 25 not be included in an arbitral award and that the Board maintain the current entitlements under clauses 25.02 and 25.03.

Article 30 – Hours of Work and Overtime

Union Proposal																									
<p>CURRENT LANGUAGE</p> <p>30.09 Meal Allowance</p> <p>a. For positions where meals are not provided by the Employer, an officer who works three (3) or more consecutive hours of overtime on a regular working day shall receive a meal allowance of ten dollars (\$10.00) except where a free meal is provided. Reasonable time with pay, to be determined by management, shall be allowed the officer in order that he may take a meal break either at or adjacent to his place of work.</p> <p>b. For positions where meals are not provided by the Employer, an officer who works overtime continuously beyond the period provided in clause 30.09(a) shall be reimbursed for one (1) additional meal in the amount of ten dollars (\$10.00) for each four (4) hour period of overtime worked thereafter, except where a free meal is provided. Reasonable time with pay, to be determined by management, shall be allowed the officer in order that he may take a meal break either at or adjacent to his place of work.</p> <p>c. For positions where meals are not provided by the Employer, an officer who works overtime on days of rest beyond the prior scheduled overtime worked shall receive a meal allowance of ten dollars (\$10.00) after having worked three (3) consecutive hours of overtime</p>	<p>NJC RATES</p> <p>Canadian \$ (taxes included)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">1.2 Meal allowances</th> <th style="text-align: center;">Canada & USA</th> <th style="text-align: center;">Yukon & Alaska</th> <th style="text-align: center;">N.W.T.</th> <th style="text-align: center;">Nunavut</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Meal allowance total – 100% (up to 30th day)</td> <td style="text-align: center;">\$86.80*</td> <td style="text-align: center;">\$99.35</td> <td style="text-align: center;">\$112.40</td> <td style="text-align: center;">\$149.60</td> </tr> <tr> <td style="text-align: left;"><i>Meal allowance total – 75% (31st to 120th day)</i></td> <td style="text-align: center;">\$65.10*</td> <td style="text-align: center;">\$74.55</td> <td style="text-align: center;">\$84.35</td> <td style="text-align: center;">\$112.20</td> </tr> <tr> <td style="text-align: left;"><i>Meal allowance total – 50% (121st day onward)</i></td> <td style="text-align: center;">\$43.45*</td> <td style="text-align: center;">\$49.70</td> <td style="text-align: center;">\$56.25</td> <td style="text-align: center;">\$74.85</td> </tr> </tbody> </table>					1.2 Meal allowances	Canada & USA	Yukon & Alaska	N.W.T.	Nunavut	Meal allowance total – 100% (up to 30 th day)	\$86.80*	\$99.35	\$112.40	\$149.60	<i>Meal allowance total – 75% (31st to 120th day)</i>	\$65.10*	\$74.55	\$84.35	\$112.20	<i>Meal allowance total – 50% (121st day onward)</i>	\$43.45*	\$49.70	\$56.25	\$74.85
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<p>beyond the prior scheduled overtime period and ten dollars (\$10.00) for each four (4) hour period of overtime worked thereafter, except where a free meal is provided.</p> <p>Reasonable time with pay, to be determined by management, shall be allowed the officer in order that he/she may take a meal break either at or adjacent to his/her place of work.</p>	
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Remarks:

Paragraphs 30.09(a), (b) and (c)

The Guild is proposing to replace the meal allowance for officers who work overtime where meals are not provided with the meal allowance established in Appendix C and D of the National Joint Council (NJC) Travel Directive. The Guild has not proposed any specific wording for the requested change.

For the same reasons provided by the Employer regarding the Guild's proposals at Article 25, the Employer submits that the Arbitration Board should not include this proposal in its arbitral award.

As part of a total compensation package, the current SO meal allowance is comparable with what is found on average in the CPA, which ranges from \$9.00 to \$12.00.

It should be noted that the Employer proposed, in its comprehensive offer to settle of September 12, 2017, to increase the meal allowance from \$10.00 to \$12.00, which is reflective of the meal allowance increases recently included in collective agreements in the CPA. This proposal was declined by the Guild.

In addition, no other collective agreement in the CPA contains the level of entitlement that the Guild is seeking in this proposal. Its inclusion in the arbitral award would be inconsistent with the replication principle and would set a precedent for all other groups. The Employer's approach for all 15 bargaining agents, representing 27 Bargaining Units covering over 178,979 unionized employees, is to apply, to the best of its ability, a common approach and level of entitlements.

The Employer recommends that the Board maintain the current entitlements under Paragraphs 30.09(a), (b) and (c).

Article 35 – Pay Administration

Union Proposal

35.04 When an officer is required by the Employer to substantially perform the duties of a higher classification level on an acting basis for a temporary period of at least one (1) complete working day, the officer shall be paid acting pay calculated from the date on which the officer commenced to act as if the officer had been appointed to that higher classification level for that period in which the officer acts. **All acting time shall be cumulative for the purpose of pay increment calculation.**

Remarks:

The Guild is proposing to amend this clause such that discontinuous periods in acting positions count toward the calculation of the increment in an indeterminate appointment in the same level. In examining this issue it is important to understand how this works currently. It is also important to note that the pay administration rules that apply to officers also apply to all other employees for which the Treasury Board is the Employer. The following is an explanation of these rules.

Pay Increments:

Pay increments are linked to the position not to substantive and acting simultaneous as the union is requesting. According to the Terms and Conditions of Employment the Definition of pay increment period is as follows:

Pay increment period (période d'augmentation d'échelon de rémunération)

Is, in respect of a position, the period between pay increments for the position as set out in the relevant collective agreement or terms and conditions of employment

Pay increments are granted based on continuous service. Periods of service with a break are not considered as continuous service.

Section 2.6 of Part 2 of the Appendix Terms and Conditions of Employment applies to all employees in the CPA. This document outlines how increments apply in acting situations. We do not count discontinuous periods of acting towards increments. The directive is attached to this brief as appendix D.

System issues:

Currently the officers' increments at their substantive level are tracked even when they are out of their substantive in acting positions and that time counts towards their increment in their substantive level. What the bargaining agent is proposing would require the Employer to track simultaneously acting towards a second or third increment date for short term actings. This may result in more than one tracking as employees can

act in various positions and at various levels. For example a SO-MAO-2 may act in the SO-MAO-5 level, SO-MAO-6 level or even the SO-MAO-07 level.

In addition to having many simultaneous tracking systems for short term actings, the tracking systems would have to be able to communicate with one another because movement of increments in a substantive level could affect the increment level in the acting position. In essence, an officers moving up a step in his substantive would trigger an action in the simultaneous acting trackers.

This is not a simple request. It is complicated and administratively burdensome and impossible to implement at this point in time.

The Phoenix pay system is presently experiencing a wide range of compensation issues that the Employer is trying to resolve with PSPC. Chief among them is the functionality for paying acting assignments. There is a significant risk associated with the proposed language, as this would require a new functionality to be added to the acting pay module which is already being re-programmed in order to correct existing issues. Adding a new functionality to an already problematic module would create a significant risk for additional issues to be generated.

Policy issues:

Pay rules have been flagged by many bargaining agents as an area of concern. The Employer is sensitive to this issue in negotiations. The proposed language would result in the introduction of new pay rules for acting assignments at a time when the Employer is being openly criticized for having too many pay rules.

From an administration standpoint, as the pay system is not currently capable of accommodating this language, the resulting pay rules would require a manual process which would create a burden on departmental managers and compensation staff to administer. Given the present compensation issues, it would not be advisable to agree to new language that could create additional work for departments, while we are working to stabilize the present compensation environment in the public service.

In light of the above, the Employer requests that this proposal not be included in the arbitral award.

Article 36 – Officer Performance Review and Officer File**Employer Proposal**

36.04 Upon written request of an officer, notice of disciplinary action which may have been placed on the personal file of the officer shall be destroyed after two (2) years have elapsed since the disciplinary action was taken provided that no further disciplinary action has been recorded during this period. **This period will automatically be extended by the length of any period of leave without pay.**

Remarks:

The Employer is proposing to extend the waiting period to purge records of disciplinary action on the file of an officer by the length of any period of leave without pay. Extending the waiting period is meant to allow the Employer the full two years to observe or monitor the employee's behaviour or actions as part of the corrective measures.

This provides management the opportunity to monitor and evaluate the officer's behaviour in the workplace and integrate adjustments if required.

The Employer has been successful at introducing an extension due to leave of absence in some collective agreements, such as the Financial Management (FI), Foreign Services (FS) and Audit, Commerce and Purchasing (AV) agreements.

The Guild has agreed to the Employer's proposal to amend clause 36.04, as noted in the Guild's response to the Employer's proposal in Annex C (Appendix A to Form 10 filed with the PSLREB by the Guild on December 14, 2017).

The Employer recommends that the board award the language as per the Employer's proposal and the Guild's agreement.

Article 40 – Dirty Work Allowance**Union Proposal****40.01** When an officer is required to:

- a. work in bilges and spaces below the bottom floor plates for periods in excess of fifteen (15) minutes,
or
- b. repair or maintain ships' sewage disposal tanks and associated piping, pumps and valves, including any part of a vessel's sewage system, which necessitates the officer to come into contact with effluent, or system components which are downstream from the fixture connection and contain effluent. The grey water system is not considered to be a part of the sewage disposal system,
or
- c. work on top of boilers while steam pressure is being maintained,
or
- d. work inside water tanks or work inside oil tanks that have contained oil, or work in the fire side of boiler furnaces, combustion chambers, or in air heater space. The grey water tank shall be considered to be a water tank for the purpose of the administration of clause 40.01(d). Work on the exhaust manifolds of the opposed piston Fairbanks-Morse engines (punching carbon) shall be considered to be the equivalent of work on the fire side of combustion chambers,
or
- e. come in physical contact with the pollutant while engaged in the cleaning up of oil spills in excess of two hundred (200) litres which resulted from a marine disaster, mechanical failure, bunkering or fuel transfer operations,
or
- f. repair or maintain the ships' grey water system, including holding tanks, associated piping, pumps and valves, provided the officer is required to come into direct contact with the grey water. Cleaning of clogged drains shall not constitute dirty work.

the officer shall receive, in addition to the appropriate rate of pay, an additional one half (1/2) the officer's straight time rate for every fifteen (15) minute period, or part thereof worked.

40.02

- a. Supervision or **visual** inspection of duties described in clause 40.01(a), (b), (c) or (d) does not entitle an officer to the allowance specified in clause 40.01.
- b. **For clarity, where inspection of duties includes hands-on work, repair or maintenance, or coming in physical contact as described in 40.01 an officer shall be entitled to the allowance.**

Employer's counter Proposal**40.02**

- a. Supervision or **visual** inspection of duties described in clause 40.01(a), (b), (c) or (d) does not entitle an officer to the allowance specified in clause 40.01.
- b. **For clarity, where inspection of duties involves hands-on work, repair or maintenance, or coming in physical contact as described in 40.01 an officer shall be entitled to the allowance.**

Remarks:

The Guild has indicated that this amendment was conditionally agreed to during bargaining and that it remains prepared to accept the Employer's proposed language set out above.

It should be noted that the parties had agreed in principle to the wording noted in the Employer's counter proposal where the inspection of duties "involves" hands-on work.

Moreover, the proposal originally tabled by the Guild was to delete the reference in clause 40.02 to "inspection of duties".

The language set out by the union is a modified version of what was proposed by the Employer during bargaining and was a compromise to the Guild's original proposal, which the Employer viewed as inconsistent with the basic intent and concept of the clause.

Clause 40.04 was negotiated to compensate officers who do hands-on work, repair or maintenance or who come into physical contact as described in clause 40.01. By deleting the reference to "inspection of", the Guild was proposing to pay officers who inspect the work performed by other officers the same allowance as those officers who actually perform the work.

The Guild acknowledged during bargaining that this was not the intention behind their proposal; rather, they wanted a distinction to be made between the mere "visual inspection" of work and the more "hands-on" types of inspection, which in their estimation, would entitle an officer to receive the allowance. Consequently, the Employer developed language to mitigate the Guild's concerns.

The Employer submits that the language developed by the Employer was proposed during bargaining, in the spirit of cooperation and with a view to reaching a settlement. This was included in a comprehensive offer in an effort to come to a negotiated settlement; it does not in any way suggest that the current language is not adequate. The Employer is of the opinion that the existing language at clause 40.02 is unambiguous; "supervision" or "inspecting of" duties, does not entitle an officer to the allowance. This is entirely consistent with the basic intent of the parties when they

negotiated this clause and the Guild has not put forward any evidence to suggest that there is ambiguity in the clause that has resulted in issues for departments in applying the entitlement.

Therefore, the Employer recommends that the Board renew the current dirty work allowance without change.

Article 43 – Duration and Renewal

Union Proposal
43.01 The provisions of this Agreement will expire on March 31, 2014 <u>19</u> .
Employer Proposal
43.01 The provisions of this Agreement will expire on March 31, 20 <u>18</u> .

Remarks:

The Employer is proposing a four year duration to expire on March 31, 2018, while the Guild proposes a five year duration to expire on March 31, 2019.

The Employer recently concluded a settlement with the FB group, which will expire before the parties will be able to sign the agreement.

Section 156, Term of arbitral award, of the *Federal Public Sector Labour Relations Act* allows the arbitration board to determine the term of the collective agreement. It states:

156 (1) The arbitration board must determine the term of the arbitral award and set it out in the arbitral award.

Factors

(2) In determining the term of an arbitral award, the arbitration board must take the following into account:

- (a) if a collective agreement applicable to the bargaining unit is in force or has been entered into but is not yet in force, the term of that collective agreement; or*
- (b) if no collective agreement applying to the bargaining unit has been entered into,*
 - (i) the term of any previous collective agreement that applied to the bargaining unit, or*
 - (ii) the term of any other collective agreement that it considers relevant.*

Limitation on term Limitation

(3) An arbitral award may not be for a term of less than one year or more than two years from the day on which it becomes binding on the parties, unless the arbitration board determines otherwise in any case where paragraph (2)(a) or (b) applies.

Providing a fifth year to this agreement would be unprecedented; it would effectively set the pattern for economic increases for 26 other groups consisting of 170K employees groups whose collective agreements are expiring in 2018, some of which have begun to serve notice to bargain, but none of which have begun to negotiate.

The Employer further proposes that the Board exercise its discretion under 156 (3) to award a collective agreement with a duration of 4 years to align with other collective agreements in the CPA recently concluded.

Union Proposal

43.02 ~~Unless otherwise expressly stipulated, the Agreement shall become effective on April 1, 2013.~~ All benefits and monetary items shall be effective retroactive to April 1, 2014.

Employer Proposal

43.02 Unless otherwise expressly stipulated, the Agreement shall become effective on April 1, 2013 the date it is signed.

Remarks:

The Guild is proposing to change the language that gives effect to the provisions of the Collective Agreement to guarantee retroactivity of all benefits and monetary items to April 1, 2014.

This proposal would have a large impact on departments because of the operational budget freeze that applies to the first two years of the agreement (2014 – 2016). The operating budget freeze held departmental budgets at their existing reference levels. Further, it required that departments fund wage increases from their existing funding levels in perpetuity. Under the bargaining agent's proposal, departments would have to set aside contingency funds for wage increases as a trade-off for program spending.

This proposal would also put additional pressure on the Phoenix pay system and divert resources currently dedicated to stabilizing the pay system.

Moreover, this type of retroactivity has never been bargained before and would create a precedent for all other groups. The practice of the Employer has been that the collective agreements become effective on date of signing, unless otherwise expressly stipulated. This has been fairly applied to all recent negotiated CPA settlements.

Of the 27 CPA Agreements, only the SO Collective Agreement currently provides that the agreement shall become effective at a date other than the date of signing. All other 26 stipulate that the agreement shall become effective on the date it is signed.

The language of the SO agreement was aligned with the rest of the CPA until the arbitration decision of May 1, 2013, which covered the period of April 1, 2011 to April 1, 2013. The arbitral award changed the implementation date from the date of signing April 1, 2013, which coincided with the final period of the agreement.

The Employer proposes the Board adopt language consistent with the rest of the CPA that gives effect to the provisions of the collective agreement on the date of signing.

Union Proposal

43.03 Prior to the calculation of retroactive pay, allowances and benefits the Employer shall conduct a full payroll audit reconciliation for each officer from April 2015. All payroll audit reconciliations shall be completed within 90 days from date of signing of this agreement. Any funds owing to officers resulting from the payroll audit reconciliation shall be paid to the officer within 30 days after completion of the audit.

Remarks:

The Guild is proposing to add new language to the collective agreement under article 43.03 that would require the Employer to perform a full payroll audit and reconciliation for all of the officers dating back to April 2015.

The Employer submits that this new language is not a term or condition of employment that should be added to the SO collective agreement.

Article 1.01 of the SO collective agreement reads as follows:

The purpose of this Agreement is to maintain harmonious and mutually beneficial relationships between the Employer, the officers and the Guild, to set forth certain terms and conditions of employment relating to remuneration, hours of work, officer benefits and general working conditions affecting officers covered by this Agreement and to ensure that all reasonable measures are provided for the safety and occupational health of the officers.

A payroll compliance audit is a review of the Employer records needed to determine whether the Employer is in compliance with the collective bargaining agreement and other documents when making contributions to government plans.

A review of payroll files for 1,103²⁰ officers for two plus years would be an enormous project to complete in the 90 day implementation period currently in place for the SO group. After consulting with experienced compensation advisors and analysts in PSPC and TBS, TBS has been advised that the proposed audit within a 90 day time period would be impossible to complete with current resources. Furthermore, if current resources were removed from ongoing pay centre processing, it would be a detriment to other employees' whose case would be further delayed.

Officers have a large number of special circumstances due to the nature of their jobs, which makes their compensation complex and requires specialized knowledge to process their pay. Based on the complexity of their files, it is estimated that it would take approximately 4 days at 6 hour/day to audit each employees file for a total of 4,412 days of work.

²⁰ This number does not include those officers who have left during the length of the collective agreement.

The 4 days is based on the following complexities of the officer' files:

- The fleet did direct entry timesheets in the Regional Pay System (RPS) that was in place prior to phoenix.
- All timesheets are hardcopy and kept in filing cabinets at various locations across the country.
- SO and Ships Crews (SC) rates are sometimes mixed up and when this happens a Pay Action Request (PAR) is submitted to make a correction.
- Hard copy documents such as letters of offer, PARs may be difficult to obtain.
- There are high volumes of acting pay.

Based on the above, it is estimated that more than 73 experienced compensation advisors would need to be fully dedicated to this project to complete the process by the 90 day implementation period.

Even if an audit were completed, the Employer would be unable to make the corrections in the Phoenix system within any reasonable period of time.

This Government has acknowledged that the pay problems experienced by employees are unacceptable, and 2018 Budget assigned 16 million dollars over two years to develop options for a new pay system. The clean-up and auditing for all pay files will be a necessary step in the transition to a new system. Since this will eventually include all Federal Public Servants, the Employer submits that it is not necessary to make file audits part of collective bargaining.

Moreover, the DFO – Canadian Coast Guard has been actively trying to find mechanisms to address the impacts of Phoenix on its employees. Their access to the system has allowed for better control of the issues faced by the department, and they continue to work with PSPC on fixing codes for Fleet personnel and other issues. In addition, a new governance structure has recently been put in place to support officers with their pay problems. This new structure is led by a Senior Director who oversees two directorates: "Human Resources Strategies and Enabler Services " and "Pay Operations Support". There will be four new decentralized service units: East, West, Central and finally Quebec to serve Francophones. In addition, a 'one-stop shop' with a generic email address will be launched in the coming weeks.

Given the above, the Employer proposes that the Board not include the bargaining agent's new language in the arbitral award.

Employer Proposal

43.03 The provisions of this collective agreement shall be implemented by the parties within a period of one hundred fifty (150) days from the date of the signing.

Clause 43.03

The Employer is proposing that the provisions of the new collective agreement be implemented by the parties within a period of one hundred fifty days from the date of the signing.

The bargaining agent is proposing not to add language to the collective agreement, which defaults the implementation period to ninety days as per section 117 of the *Federal Public Sector Labour Relations Act* (FPSLRA), which represents the minimum implementation period.

The PSAC has reached agreements for all five of its groups during this round of collective bargaining (Program Administration (PA), Education and Library Science (EB), Operational Services (SV), Technical Services (TC) and Border Services (FB)), and the implementation period for each of these agreements has been agreed at 150 days.

Similarly, PIPSC has reached agreements for all 6 of its groups during this round of collective bargaining (Research (RE), Applied Science and Patent Examination (SP), Computer Systems (CS), Audit, Commerce and Purchasing (AV), Architecture, Engineering and Land Survey (NR), and Health Services (SH)), and the implementation period for each of these agreements has been agreed at 120 days.

Extending the implementation period provides the Employer and the affected departments a reasonable period of adjustment to make the necessary administrative changes as a result of any modifications or amendments to the current collective agreement provisions. This would help address the current burden on the pay system, which must implement all the negotiated pay and benefits changes. Maintaining a 90 day implementation period would place even more stress on the system. The Employer is therefore opposed to the bargaining agent's position to maintain the status quo with respect to period for implementation.

Based on the above, the Employer proposes that the Board include the change of implementation period to 150 days, as proposed by the Employer, in its arbitral award.

Appendix E – Canadian Coast Guard Officer Cadets

Union Proposal						
On April 1, 2014, increase rates of pay by 1.25%.						
On April 1, 2015, increase rates of pay by 1.25%.						
On April 1, 2016, increase rates of pay by 1.25%.						
Effective April 1, 2016: market adjustment 15%; eliminate or adjust increments as required to implement market adjustment.						
On April 1, 2017, increase rates of pay by 1.25%.						
On April 1, 2018, increase rates of pay by greater of CPI or 2.00%.						
Above increases to apply to all allowances under Appendix E.						
5. A Cadet shall receive a training allowance as set out below:						
Monthly Allowance (in dollars)						
Duration	April 1, 2013 current	April 1, 2014 Proposed 1.25% increase	April 1, 2015 Proposed 1.25% increase	April 1, 2016 Proposed 1.25% + 15% increase	April 1, 2017 Proposed 1.25% increase	April 1, 2018 Proposed 2% increase
1st period (August 1st to June 30th)	\$375	\$379	\$384	\$448	\$453	\$462
2nd period (July 1st to June 30th)	\$443	\$449	\$454	\$529	\$535	\$546
3rd period (July 1st to June 30th)	\$511	\$517	\$524	\$610	\$618	\$630
4th period (July 1st to June 30th)	\$581	\$588	\$596	\$694	\$702	\$716

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 Current	April 1, 2014 Proposed 1.25% increase	April 1, 2015 Proposed 1.25% increase	April 1, 2016 Proposed 1.25% + 15% increase	April 1, 2017 Proposed 1.25% increase	April 1, 2018 Proposed 2% increase
1st Sea Training Period	\$1127	\$1141	\$1155	\$1345	\$1362	\$1379
2nd Sea Training Period	\$1602	\$1622	\$1642	\$1912	\$1936	\$1975

Remarks:

The CCG College offers a curriculum with emphasis on the four year officer Cadet Training Program that, at its conclusion, provides certification and a recognized university degree.

At the conclusion of the officer Cadet Training Program, the Cadet receives a Bachelor of Technology Nautical Sciences from the University College of Cape Breton in association with the College, a diploma of Natural Sciences either in navigation or engineering from the College itself, together with a Transport Canada certification known as a Watch Keeping Certificate (C) for those involved in the navigation component or a fourth class Motor Marine certificate for those involved in the engineering component of the program.

These permit an officer to direct a watch at sea either as an officer, or as an Engineer, and qualifies the officer or Engineer for advanced standing in further certifications towards their Master Mariner Certificate or their First Class Engineering Certificate. The four year program is a combination of four academic years, with periods of time spent at sea.

This curriculum and subsequent conclusion that results in a Bachelor's degree and guarantee of employment at the expense of the Employer.

The Employer provides a monthly allowance while they are attending courses at the College, unlike other students. Cadet's room and board and meals are provided while in the cadet training program. Upon successful completion of the cadet training program, they are provided with a job as an officer with the time spent in the cadet training program counting as pensionable time.

Also, Cadets are provided the Sea Training Allowance when they are receiving practical on-the-job-training aboard vessels. The Employer believes that this is an appropriate way to compensate Cadets. It reflects that they are not functional employees at this stage of their learning program. Cadets do not receive a salary since they are not performing in a fully functional capacity.

Each year, the Employer's recruiting program sets out to fill approximately 65 new seats at the college. They receive 1200 – 1500 applications and through a screening process they fill the required seats. There are no recruitment or retention issues, outside of normal drop-out.

Given the lucrative employment opportunity provided to these Cadets, the Employer is opposed to any increase in the current allowances provided.

The Employer asks that the Board not include this increase in the arbitral award.

Appendix F – Special Allowances

Union Proposal

On April 1, 2014, increase rates of pay by 1.25%.

On April 1, 2015, increase rates of pay by 1.25%.

On April 1, 2016, increase rates of pay by 1.25%.

Effective April 1, 2016: market adjustment 15%; eliminate or adjust increments as required to implement market adjustment.

On April 1, 2017, increase rates of pay by 1.25%.

On April 1, 2018, increase rates of pay by greater of CPI or 2.00%.

Above increases to apply to all allowances under Appendix F.

Special Allowances

The Employer and the Canadian Merchant Service Guild agree that officers with specialized training and qualifications shall receive the following allowance in accordance with the conditions set out for each allowance.

Type	April 1, 2013 Current	April 1, 2014 Proposed 1.25% increase	April 1, 2015 Proposed 1.25% increase	April 1, 2016 Proposed 1.25% + 15% increase	April 1, 2017 Proposed 1.25% increase	April 1, 2018 Proposed 2% increase
Rescue Specialist Allowance	\$136	\$138	\$139	\$162	\$164	\$168
Fisheries Enforcement Allowance	\$306	\$310	\$314	\$365	\$370	\$377
Armed Boarding Allowance	\$184	\$186	\$189	\$220	\$222	\$227
Diving Duty Allowance	\$858	\$869	\$880	\$1024	\$1037	\$1058
Nuclear Emergency Response Team	\$156	\$158	\$160	\$186	\$189	\$191

Remarks:

Both officers and Ships Crews (SC) employees are entitled to receive the same types of special allowances.

As noted in the table below, the officers currently receives a level of benefit that globally exceeds the level of benefit that SC group for the same circumstances, pursuant to the SC Collective agreement expiring August 4, 2018.

ALLOWANCES	SHIPS' OFFICERS	SHIPS CREWS
Rescue Specialist Allowance	\$136	\$136
Fisheries Enforcement Allowance	\$306	\$250
Armed Boarding Allowance	\$184	\$158
Diving Duty Allowance	\$858	\$821
Nuclear Emergency Response Team	\$156	\$150

The Employer respectfully suggests that there is no justification for increasing the level of the benefit available to officers for the allowances noted above.

The bargaining agent's proposals to increase the allowances are not reflective of the current established settlement patterns in the CPA.

Appendix G – Extra Responsibility Allowance

Union Proposal

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 DND Glen Class tugs 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, 2014 Proposed 1.25% increase	April 1, 2015 Proposed 1.25% increase	April 1, 2016 Proposed 1.25% + 15% increase	April 1, 2017 Proposed 1.25% increase	April 1, 2018 Proposed 2% increase
SO-MAO-12	\$17,587	\$1780	\$1802	\$2098	\$2125	\$2167
SO-MAO-11	\$16,135	\$16337	\$16541	\$19260	\$19500	\$19890
SO-MAO-10	\$14,654	\$14837	\$15023	\$17492	\$17711	\$18065
SO-MAO-9	\$13,442	\$13610	\$13780	\$16045	\$16246	\$16571
SO-MAO-8	\$12,490	\$12646	\$12804	\$12964	\$15095	\$15397
SO-MAO-7	\$11,870	\$12018	\$12169	\$14169	\$14346	\$14633
SO-MAO-6	\$11,433	\$11576	\$11721	\$13647	\$13818	\$14094
SO-MAO-5	\$10,963	\$11100	\$11239	\$13086	\$13250	\$13514

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.

2. 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 DND Glen Class tugs 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:

Amend the ERA rate tables to include FLP and INS groups.

3. The Employer may apply this Appendix to operations or vessels other than those listed in 1 above after consultation with the Guild.
4. This extra responsibility allowance, **as indicated in the above table**, 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 ~~one-hundred and twenty (120)~~ **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.
5. 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
6. 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 prorated lay-day for work performed during the scheduled off-duty portion of the work cycle except for the time spent during crew changeover duties.
7. 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).
8. This allowance shall be paid on the same basis as the officer's pay.

Remarks:

Section 1

The Guild is proposing to increase the Extra Responsibility Allowance (ERA) by the amount of the economic increases proposed for all rates of pay.

It is worth noting that the ERA is paid to officers described above to recognize the additional responsibilities involved in the performance of the regular duties of the position. This also takes into account that, notwithstanding the Hours of Work and Overtime provisions of the Agreement, the normal hours for the identified officers extend beyond those described by the Article.

As such, unlike other allowances, the ERA is considered as part of pay for the purposes of the *Public Service Superannuation Act* (PSSA), Disability Insurance (DI), the Public Service Management Insurance Plan (PSMIP) and Severance Pay (Article 29).

As the level of responsibility has remained the same, the Employer respectfully suggests that given the circumstances, there is no justification for increasing the level of the benefit available to officers for the allowances noted above.

The increase that the Guild is proposing amounts to a compounded benefit of approximately 23.3% over the life of the contract, an amount which far exceeds what has been given to the other bargaining agents for allowances in this round of bargaining. With this proposal, the officers would far outpace the rest of the employees in the CPA in terms of gains in total compensation.

The Employer recommends that the Board include the current ERA without change in the arbitral award.

Section 2

The Guild is also proposing to extend the ERA to officers in the Floating Plant (FLP) and Instruction (INS) sub-groups. Currently, only Master/Commanding officers or Chief Engineers in the Marine Operations (MAO) sub-group are entitled to receive the ERA.

The Employer submits that the ERA is paid to officers by virtue of their position as Master/Commanding officer or Chief Engineer under all of the various scheduling systems set out in the Collective Agreement.

The Extra Responsibility Allowance is in recognition of the extra hours that the SO-MAOs level 5 to 11 work. They are considered on standby while on a ship 24-7 and are not entitled to overtime while in their On-Cycle. They are thus compensated through the ERA.

SO-INS

Appendix L of the SO collective agreement states that Instructors work 8 hour work days in classrooms Monday to Friday, very much like an office worker. Their work week includes 22 hours of teaching time with the remaining hours available for preparation. They are also granted a pedagogical break between December 25th and January 2nd. The working environment and conditions of the instructors are not similar to that of the SO-MAO 5 to 11 levels; therefore the ERA should not be extended to the SO-INS sub-group.

The Employer recommends that the Board include the current ERA without change in the arbitral award.

SO-FLP

Employees in the SO-FLP sub-group work 40 hour work days, 8 hours per day on floating plants (e.g., a barge). The SO-FLP group is not responsible for the floating plants like SO-MAOs, who are considered on standby 24h/day, 7 days/week. If the SO-FLPs are required to work overtime, they are compensated for that overtime.

The working environment and conditions of the SO-FLPs are not similar to that of the SO-MAO 5 to 11 levels; therefore the ERA should not be extended to the SO-FLP sub-group.

The Employer recommends that the Board include the current ERA without change in the arbitral award.

Section 3

The Guild is proposing to increase the period for which an officer is entitled to the ERA while assigned ashore for training purposes or to a shore-based position on an acting basis from 120 days to 365 days.

Currently, as per Appendix G, officers are entitled to the ERA for a maximum of 120 days while assigned to a shore-based position if their monthly basic pay in their assigned position is lower than their basic monthly pay plus the ERA in their substantive position.

Since 1991, DFO has issued a Fleet Order setting out the Employer's expectations for "shore based experience required for senior officer at Sea positions – FO516.00. It is generally understood by senior officers, the Guild and Management that Fleet Order 516.00 provides that shore based experience is required for an officer to progress in his career including into Management positions.

The Employer acknowledges that an officer's assignment and/or acting can often go beyond the 120 days currently provided for in Appendix G. As a compromise, the Employer provided a counter proposal to the Guild on September 12, 2017, as part of a comprehensive offer to negotiate a settlement to that effect. The Employer's proposal accepted increasing the period for which an officer is entitled to the ERA while ashore from 120 days to 365 days, in exchange for the Guild abandoning its proposal to extend the ERA to officers in the Floating Plant (FLP) and Instruction (INS) sub-groups. The Guild declined this offer and the conditions that surrounded this comprehensive offer.

The Employer respectfully withdraws its September 2017 offer because it was part of a comprehensive offer to negotiate a settlement, which did not include many of the conditions that the bargaining agent is now seeking, such as large wage increases, increases to allowances and an increase of the Lay Day factor.

Based on the above, the Employer recommends that Section 3 of Appendix G be renewed without change.

Appendix H – Lay-Day Operational Crewing System

Union Proposal

Lay-Days

General

The workday will consist on-duty-cycle of twelve (12) hours of work per day. For each day worked or for each on-duty-cycle day on which an officer is on authorized leave with pay other than compensatory leave and vacation leave with pay, an officer shall earn ~~one (1)~~ lay-day **one decimal one seven (1.17) lay-days** in addition to the officer's Lay-Day rate of pay.

Remarks:

The Guild is proposing to increase the Lay Day factor from one (1) day to one decimal one-seven (1.17) days.

Introduction of the Lay Day Operational Manning System

The lay-day system is a time-on/time-off system which recognizes the continuous nature of marine operations and the consequent need to treat one day like any other day. Under this concept, every day is a working day; there are therefore no days of rest (i.e., weekends) *per se* and therefore there is no premium pay for working over weekends.

This is in contrast to the Conventional Crewing System whereby operations may be discontinuous and the Employer consequently recognizes the need to pay a premium for work performed during days of rest, such as weekends.

Overtime can be earned on the lay-day system when the employee works over 12 hours per day while on the On cycle. The major advantage of the lay-day system for the employee is a better work/life balance (the typical cycle is 28 days On and 28 days Off).

In the past, when the lay day factor was 1.17, the system worked as follows: The lay-day system was and still is based typically on a 28 day on/off cycle (56 days total): two crews rotate every 28 days. For example, the Red Crew worked 28 days (On cycle) and earned 1.17 lay days per day worked, while the White Crew used 28 lay days from their lay day bank (Off cycle). Then the two crews rotated and the Red Crew began their On cycle and the White Crew start their Off cycle.

1.17 lay days were earned per day over the 28-day On cycle, and one lay day was deducted per day during the Off cycle, leaving 0.17 lay days times 28 days per full 56-day cycle.

Therefore, the officers' lay day banks accumulated 0.17 lay days x 28 days (4.76 lay days) for each complete 56-day On/Off cycle. These additional lay days, if not taken as additional leave, could be cashed in at time and a half.

Reduction of the Lay Day Factor from 1.17 to 1.0

Under the lay-day system, annual (and most other) leave is taken during the On cycle.

Regional Fleet Management has always endeavoured to ensure officers could be deployed to other ships when the vessel on which they had been serving is laid up for a period of time (for example extended refit), or they were scheduled for annual leave. There was therefore little need to use the excess lay days accumulated in their banks (i.e. 0.17 lay days times 28 days while on the On cycle).

The 1991-1994 Collective Agreement addressed this issue by increasing the annual rate of pay for officers on the lay day system by 12.75%, in exchange for reducing the lay day factor from 1.17 to 1.0.

During that period of time, no other group received this type of increase; the 12.75% increase implemented on June 26 1991, was provided when most groups in the CPA received an increase of 0%. The SO group received the 12.75% as an exceptional measure, in exchange for reducing the Lay Day factor.

Implications of re-introducing the Layday Factor of 1.17 for Ships' Officers

Increasing the Lay Day factor from 1 day to 1.17 days would result in a significant ongoing cost of \$5.5M (or 6.2% of the group's wage base).

Moreover, there is no evidence that the leave banks from DFO are depleting, as mentioned by the bargaining agent during negotiations. The leave banks are actually presently healthy.

Details

Total Lay Days Earned in FY 2010-2011:

Applying the Layday Factor of 1.17

The total number of lay days earned, with adjustments (i.e. to convert partial lay-days), by Ships' Officers from 2014/2015, 2015/2016 and 2016/2017 were multiplied by 1.17 to project the number of lay-days that would have been accumulated if the 1.17 factor were to be re-introduced. The results are summarised here:

Total Lay Days Earned in FY 2016/2017

Applying the Layday Factor of 1.17

Lay Days Earned	121,937.3		
Lay Day Adjustments	<u>+ 207.2</u>	Increase	Difference (Days)
Total Lay Days	122,144.5	142,909.1	<u>20,765</u>

Total Lay Days Earned in FY 2015/2016

Applying the Layday Factor of 1.17

Lay Days Earned	121,212.2		
Lay Day Adjustments	<u>+ 416.2</u>	Increase	Difference (Days)
Total Lay Days	121,215.2	140,847.8	19,633

Total Lay Days Earned in FY 2014/2015

Applying the Layday Factor of 1.17

Lay Days Earned	122,144.0		
Lay Day Adjustments	<u>+ 232.6</u>	Increase	Difference (Days)
Total Lay Days	122,376.6	143,180.7	20,804

Increasing the lay-day factor from 1.0 to 1.17 would place Management in the same situation that existed in 1994: officers on the lay-day system would accumulate excess lay-days and cash them in at time-and-a-half. Moreover, officers were already compensated for the original reduction from 1.17 to 1.0 by a 12.75% increase to their annual rate of pay.

The Employer submits that the Union's proposal does not reflect what the parties would have bargained. The SO group was already compensated for the original reduction from 1.17% to 1%, by a 12.75% increase to their annual rate of pay.

Therefore, the Employer recommends that Appendix H be renewed without change.

Appendix "X" – Memorandum of Agreement**Employer Proposal****MEMORANDUM OF AGREEMENT
ON SUPPORTING EMPLOYEE WELLNESS**

This Memorandum of Agreement is to give effect to the understanding reached between the Employer and Canadian Merchant Service Guild (CMSG) regarding issues of employee wellness.

The parties agree to establish a Task Force, comprised of a Steering Committee and a Technical Committee, with a long-term focus and commitment from senior leadership of the parties.

The Task Force will develop recommendations on measures to improve employee wellness and the reintegration of employees into the workplace after periods of leave due to illness or injury.

The Steering Committee and Technical Committee will be established by January 31, 2017. The committees will be comprised of an equal number of Employer representatives and Union representatives. The Steering Committee is responsible for determining the composition of the Technical Committee. The Steering Committee shall be co-chaired by the President of the Alliance and a representative of the Employer.

The Steering Committee shall establish the terms of reference for the Technical Committee, approve a work plan for the Technical Committee, and timelines for interim reports from the Technical Committee.

All time spent by employees in support of the Technical Committee shall be deemed to be leave with pay for union activities. The Employer will grant leave with pay for employees engaged in these activities, including preparation and travel time.

Dates may be extended by mutual agreement of the Steering Committee members. The Technical Committee's terms of reference may be amended from time to time by mutual consent of the Steering Committee members.

The Technical Committee will develop all agreements and documents needed to support the consideration of a wellness plan during the next round of collective bargaining. This work shall be completed by December 1, 2017. The Technical Committee shall provide interim recommendations for review by the Steering Committee on the following matters through a series of regular meetings:

- Income replacement parameters, the treatment of accumulated sick leave credits and consequential changes to existing leave provisions within the collective agreements;

Employer Proposal

- Eligibility conditions for a new wellness plan;
- Privacy considerations;
- Internal assessment as well as approval and denial processes;
- Case management and measures to ensure the successful return of employees to the workplace after a period of leave due to illness or injury;
- Joint governance of the wellness plan;
- Options for alternative medical treatments;
- Other measures that would support an integrated approach to the management of employee wellness for Federal Public Service employees, including but not limited to ways to reduce and eliminate threats to workplace wellness, including discrimination, harassment, workplace violence, bullying, and abuse of authority.

The Technical Committee shall respect the related work of the Mental Health Task Force and the Service Wide Occupational Health and Safety Committee in its deliberations.

The Technical Committee shall also review practices from other Canadian jurisdictions and employers that might be instructive for the Public Service, recognizing that not all workplaces are the same. The Service Wide Occupational Health and Safety Committee shall be consulted as required. Leading Canadian experts in the health and disability management field shall also be consulted.

Key Principles

A new wellness plan shall:

- Contribute to a healthy workforce, through a holistic consideration of physical and mental health issues.
- Include case management and timely return to work protocols, based on best practices.
- Investigate integration with other public service benefit plans.
- Address a wide range of medical conditions, work situations and personal circumstances facing employees, including chronic and episodic illnesses and travel time from northern and remote communities for diagnosis and treatment (subject to the NJC Directives, such the Isolated Post and Government Housing Directive) and wait times for medical clearances to return home.

Employer Proposal

- Be contained in the collective agreements. The final level of adjudication associated with the plan will be the Public Service Labour Relations and Employment Board (PSLREB).
- Be administered internally within the Federal Public Service, rather than by third-party service provider.
- Have common terms which will apply to all employees.
- Provide for full income replacement for periods covered by the plan.
- Ensure that new measures provide at least the same income support protection as that provided by earned sick leave banks in the current regime.
- Current sick leave banks would be grand-fathered/protected and their value appropriately recognized.

If an agreement is not reached within 18 months from the establishment of the Technical Committee, or should the parties reach impasse before then, the parties agree to jointly appoint a mediator within 30 days.

If the parties are unsuccessful in reaching an agreement, after mediation, the current terms and conditions of employment related to the sick leave regime for CMSG members remain unchanged.

Both parties agree to recommend these proposals to their respective principals.

Remarks:

The Employer proposes a Memorandum of Agreement (MoA) on Supporting Employee Wellness that would provide an opportunity for the Guild to contribute, along with other public service bargaining agents via one of the two currently established technical committees, to the development of a holistic plan focussed on employee wellness.

The MoA addresses the improvement of employee wellness, the reintegration into the workplace of employees after periods of illness or injury, as well as the modernization of the sick leave regime in the federal public service.

The issue of employee wellness is a matter of great importance to both the Employer and the Guild. This MoA would give the Guild a voice, on behalf of their members, in the development of a new wellness plan.

It is to be noted that, pursuant to the proposed MoA, short of an agreement between the parties on a new employee wellness plan, the current sick leave regime would remain unchanged.

The proposed MoA is based on the agreement reached between the Employer and the PSAC. PSAC's Ships' Crews group, who have similar unique working conditions to that of the SO group are a part of this MoA and are meeting on a regular basis.

The Employer would also be supportive of a MoA based on the agreement reached with the PIPSC. This version of the MoA was also agreed to by the International Brotherhood of Electrical Workers, the Association of Canadian Financial Officers, the Canadian Association of Professional Employees and UNIFOR. The MoA proposal reads as follows:

Memorandum of Agreement on Supporting Employee Wellness

This Memorandum of Agreement is to give effect to the agreement reached between the Employer and the Canadian Merchant Service Guild (hereinafter referred to as "the parties") regarding issues of employee wellness.

The parties will create an Employee Wellness Support Program (EWSP) which will focus on improving employee wellness and the reintegration of employees into the workplace after periods of leave due to illness or injury.

Key features

The EWSP will incorporate the following key features:

- *contained in collective agreements;*
- *benefits for up to 26 weeks (130 working days) with income support replacement at 100%;*
- *the annual allotment shall be 9 days of paid sick leave for illness or injury that falls outside of the parameters of the EWSP;*
- *100% income replacement during the 3 day (working) qualification period when the employee's claim is approved;*
- *qualifying chronic or episodic illnesses will be exempt of the qualifying period;*
- *the qualification period will be waived in cases of hospitalization or recurrence of a prior illness or injury approved under EWSP within 30 days;*
- *employees are entitled to carry over a maximum of 3 days of unused sick leave credits remaining at the end of the fiscal year, for use in the following fiscal year;*
- *the accumulation of current sick leave credits will cease once the EWSP is implemented. Employees with banked sick leave in excess of 26 weeks, will be entitled to carry over those excess days to provide extended coverage at 100% income replacement prior to accessing Long Term Disability (LTD);*

- *travel time for diagnosis and treatment;*
- *internal case management and return to work services focused on supporting employees when ill or injured;*
- *an employee on EWSP will be considered to be on leave with pay;*
- *full costs of administering the EWSP to be borne by Employer;*
- *increase the quantum of family related leave by one (1) day.*

Process

The parties agree to create a technical committee and a steering committee, with a long-term focus and commitment from senior leadership of the parties.

The steering committee and technical committee will be established within 60 days of signing. The committees will be comprised of an equal number of Employer representatives and Union representatives. The steering committee is responsible for determining the composition of the technical committee.

All time spent by employees in support of the Technical Committee shall be deemed to be leave with pay for union activities. The Employer will grant leave with pay for employees engaged in these activities, including preparation and travel time.

The technical committee will develop all agreements and documents needed to support the implementation of a EWSP during the next round of collective bargaining. This work shall be completed within one year of signing. The technical committee shall provide interim recommendations for review by the steering committee on the following matters through a series of regular meetings:

- *consequential changes to existing leave provisions within the collective agreements, and the LTD Plan;*
- *definitions;*
- *eligibility conditions for a new EWSP;*
- *assessment and adjudication processes;*
- *internal case management and return to work services;*
- *workplace accommodations;*
- *creation of a Centre for Workplace Well-being;*
- *governance of the EWSP, including dispute resolution mechanisms;*

- *coverage of operational stress injuries and other injuries sustained by employees deployed in military operations;*
- *harassment;*
- *domestic violence;*
- *other measures that would support an integrated approach to the management of health for federal public service employees.*

The technical committee shall review practices from other Canadian jurisdictions and employers that might be instructive for the Public Service, recognizing that not all workplaces are the same. Federal public service health and safety committees will be consulted as required by the steering committee, as well as leading Canadian experts in the health and disability management field.

The steering committee is to approve a work plan for the technical committee and timelines for interim reports within 4 months of signing. The technical committee work plan may be amended from time to time by mutual consent of the steering committee members.

Dates may be extended by mutual agreement of the steering committee members. The technical committee terms of reference may be amended from time to time by mutual consent of the steering committee members.

The parties agree if an agreement is not reached within 18 months from the establishment of the Technical Committee, or at any time before that time, to jointly appoint a mediator within 30 days.

Integration into the collective agreement

Future amendments to the EWSP shall require the agreement of the Guild and the Employer. Future amendments shall be negotiated between the parties at a central table made up of the Association bargaining team and the Employer bargaining team.

Signed at Ottawa, this xxth day of xxxxxx, 2018.

PART V – SO GROUP

SO Group Definition

The SO group comprises positions that are primarily involved in the on-board command and control of the operation of civilian vessels requiring a certificate of competency; the operation of floating plants; the operation and maintenance of radio equipment installed on vessels engaged in marine operations; and the instruction of Nautical Sciences and Marine Engineering at the CCG College.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

1. the on-board command and control of deck, engine room, electronic or electrical, radio or supply operations on board civilian vessels, floating plants or submersibles on a continuous or relief basis;
2. the training and preparation for continuing employment as an officer;
3. the piloting of military vessels in and about a harbour;
4. the instruction of cadets or other officers undergoing training in the knowledge and skills related to the officer activities referred to above; and
5. the performance of related activities on a rotational basis between ship and shore.

Exclusions

Positions excluded from the SO group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

1. the operation and servicing of vessels, floating plants and associated equipment in a capacity that does not require a certificate of competency unless the activities performed are as specified in the above inclusions and the position is designated as Dredge Master, Electronic officer, Submersible officer, Assistant Watchkeeping officer or Engineer or Mate on a towed dredge; and
2. the operation and servicing of vessels, floating plants and associated equipment that requires a certificate of competency other than a certificate of competency to take charge of a watch or be in a position designated as Electrical officer or officer of the Supply or Logistics Departments.

Sub-Group Definitions

Marine Operations

Positions included in this sub-group are those that meet the group definition and are located on vessels engaged in operations other than those described in other sub-groups.

Floating Plant

Positions included in this sub-group are those that meet the group definition and perform their duties on:

- vessels equipped to carry out one or more of the following tasks: dredge surveys, marine excavations, dredging, snagging, underwater drilling, removal of underwater obstructions, or the alteration, repair or removal of marine structures such as wharves, piers or breakwaters;
- vessels equipped as floating cranes or derricks;
- vessels whose primary function is to provide electrical power to other vessels;
- vessels whose primary function is to flush and clean tanks and bilges;
- vessels equipped to assist in the degaussing of other vessels;
- vessels such as tugs, where the primary function is to provide service to floating plant.

Radio

Positions included in this sub-group are those that meet the group definition and have the primary responsibility for the operation and maintenance of radio equipment installed on vessels engaged in marine operations.

Instructor

Positions included in this sub-group are those that meet the group definition and are located in the departments of Nautical Sciences and Marine Engineering at the Canadian Coast Guard College.

Various Work Systems

Most of the vessels managed by DND and CCG operate on a 24/7 basis, with the majority of Ships' Officers and Ships' Crew working on one of four crewing systems, three of which are variations of hourly averaging systems (the fourth is conventional – essentially the equivalent of office hours). The various systems are:

1. 40 Hours Work Week System or Conventional System
2. Lay-day Operational Crewing System
3. On-Call System – Average Forty-six point six (46.6) Hours
4. Averaging system Forty-two (42) Hours

Appendix E provides a summary description of the above 4 systems.

Bargaining Unit Characteristics

Employee Population and Payroll

For the purposes of collective bargaining, the payroll data and group demographics used is as of March 31, 2014. There were, at that time, 1,105 members of the bargaining unit employed in 2 departments (DFO and DND). As is indicated in the following table, the bargaining unit payroll for the Group, as of March 31, 2014, is \$73,739,307. The mean salary for bargaining unit members as of that date is \$78,986.25. Annex "F" provides a more detailed breakdown.

SO Group Summary of Bargaining Unit Payroll and Mean Salary As of March 31, 2014 (all active employees)			
Sub-Group	Number of Employees	Payroll	Mean
SO-MAO	1,074	\$70,864,812	\$75,146
SO-FLP	5	\$383,787	\$76,757
SO-RAD	1	\$67,098	\$67,098
S0-INS	25	\$2,435,610	\$96,944
Total	1,105	\$73,739,307	\$78,986

Note: The mean for the SO-MAO-00 was not include as their average salary was \$5,834.

Demographic Data

The following tables provide demographic information with respect to the SO Group.

A more detailed breakdown by level and sub-group of the distribution by geographic area is provided in Appendix G. The complete distribution of employees by years of service and gender is provided in Appendix E.

Geographic Distribution

Summary of Geographic Distribution As of March 31, 2014								
	NFLD	PEI	NS	NB	QUE	ON	BC	Total
SO-MA0								
Total	217	9	343	12	157	115	221	1074
% of Total	19.6%	0.8%	31.0%	1.1%	14.2%	10.4%	20.0%	97.2%
SO-FLP								
Total	0	0	2	0	0	0	3	5
% of Total	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.3%	0.5%
SO-RAD								
Total	0	0	1	0	0	0	0	1
% of Total	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
SO-INS								
Total	0	0	23	0	2	0	0	25
% of Total	0.0%	0.0%	2.1%	0.0%	0.2%	0.0%	0.0%	2.3%
TOTAL SO	217	9	369	12	159	115	224	1105
% of Total	19.6%	0.8%	33.4%	1.1%	14.4%	10.4%	20.3%	100.00%

Distribution by Years of Service and Gender

Distribution By Years Of Service & Gender As of March 31, 2014			
Years of Service	Male	Female	Total
0-7 years	361	60	421
8 – 18 years	230	24	254
19 – 29 years	251	11	262
30 or more years	162	6	168
Total	1004	101	1105
Weighted Average	90.9%	9.1%	100%

Distribution by Department

Summary of Bargaining Unit Departmental Distribution – Major Employing Departments As of March 31, 2014		
Departments	Number of Employees	% of Total*
National Defence	76	6.88%
Fisheries & Oceans	1029	93.12%
Total	1105	100%