

## Canadian Merchant Service Guild

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INTERNATIONAL MARITIME PILOTS' ASSOCIATION

INTERNATIONAL TRANSPORT WORKERS FEDERATION

May 1, 2015

Dear Guild Members @ Seaspan ULC

As you are aware, Arbitrator Mr. Dalton L. Larson has been overseeing the mediation/arbitration process between the Guild and Seaspan ULC. During February 2015, an arbitration hearing was held regarding the benefit plans for the Guild and ILWU members employed by Seaspan ULC. During the course of the four day hearing, the Company argued its proposal to limit their contribution for the health benefit plan to \$500/month. Alternatively, the Company argued for a restructuring of the benefit plan so that it would be able to internally administer a "Seaspan ULC-only" benefit plan. The Guild and the ILWU both argued that neither of these proposals would be feasible.

On Wednesday April 29, 2015, Mr. Larson issued his award. He found that cost savings may be achievable with a "Seaspan ULC-only" benefit group separate from the Industry plans.

Importantly, Mr. Larson wrote that:

- benefit levels currently being provided to employees as part of the two Union's health care plans should continue to be maintained:
- Seaspan ULC will bear the risk of an increase in the premium cost of the coverage; and
- the Unions will continue to administer the benefit plan through a Board of Trustees.

The award is subject to a number of conditions which will shortly be discussed between the Guild, the ILWU and Seaspan ULC.

We have posted the award on the Guild's website and we encourage you to read it for further explanation. We will continue to provide further updates as more information becomes available.

Please contact your Business Agent, Jeff Sanders, with any questions you may have about the award after you have had time to review it.

CMSG WESTERN BRANCH