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The Canadian Merchant Service Guild

A NATIONAL ASSOCIATION OF
MASTERS – MATES – PILOTS – ENGINEERS AND OTHER MARINE OFFICERS

AFFILIATED WITH
INTERNATIONAL MARITIME PILOTS' ASSOCIATION INTERNATIONAL TRANSPORT WORKERS FEDERATION

May 29, 2015

Dear Guild Members @ Seaspan ULC

Mr. Dalton L. Larson continues overseeing the mediation/arbitration process between the Guild and Seaspan ULC. For the past two weeks, an arbitration hearing was held regarding hours of work and overtime issues.

Seaspan tabled a number of drastic concessionary proposals in bargaining, conciliation, mediation with regard to hours of work and overtime. With this arbitration process complete, the company had the opportunity to argue those proposals in a formal arbitration hearing before arbitrator Larson. The Unions have had a response to argue against these changes and for the maintenance of the status quo.

The Company argued the following changes to the collective agreement:

- To reduce the rate it pays for overtime from double time to time and a half, and having overtime exclusively paid out in half-hour increments;
- To get rid of overtime to leave conversion;
- To move to a three-watch system on continuous vessels that would employ a 4 and 8 watch system, resulting in less pay and leave per tour of duty and reducing the amount of time off vessel annually by 50%;
- To amend the call-out language on continuous operating vessels to end continuous overtime;
- To alter meal hour provisions to no longer pay a missed meal penalty;
- To allow for masters leaving sleeping crew on boards tied up vessels so that they can spend the remainder of their watch working on an alternative vessel;
- To remove the qualification "posted" from the shift language in the collective agreement, to provide them with the ability to sail another class of shift vessels without any notice;
- To increase the amount of crew change times allowed by the collective agreement; and finally
- To implement a company-wide pager operated vessel system in any area of its business.

In support of their arguments the company presented documentary evidence and oral testimony from Brook Walker and Mark Bingham. The company's basic argument making for these changes was anticipated competition from Ledcor and other non-union companies. They did not introduce any empirical proof that so-called competition was creating severe financial repercussions on the companies' bottom line.

The Guild (and the ILWU) opposed the changes sought by the company, primarily for the reasons outlined below:

- Seaspan was seeking fundamental and profound changes to the Collective Agreement that they had been unsuccessful at obtaining at the bargaining table;
- That many of these changes would have a severe financial impact on the employees of Seaspan, or an impact on the safety and/or work-life balance of the employees of Seaspan;

- An interest arbitrator should not make fundamental changes except in the most dire and extraordinary circumstances and when there is a compelling and demonstrable NEED to do so;
- The company had not introduced any evidence demonstrating that there exists a compelling need for these changes;
- That the unions were unlikely to ever agree to these changes and that the changes being sought, namely the pager proposal, had already been voted down by a majority of the membership;
- That many of these proposals would not be feasible, or that Officers would simply refuse to work under these conditions; and importantly
- That the industry standard, established by other union or coastal tow-boat contracts, reflected mainly the status quo.

The Guild presented documentary evidence and oral testimony from Captain Mark Chambers and Captain Gerald Bowen. The ILWU presented documentary evidence from President of the ILWU Terry Engler as well as ILWU members Ziggy Mangat and Sid Brownjohn.

The Guild is confident that the Union's argument was strong, well-articulated and founded in the overriding jurisprudence. We trust that this portion of the mediation/arbitration process will provide closure to an important topic of negotiations; however, we cannot predict when the arbitrator Larson will be finished writing his award. The Guild will continue to update the membership when we know more about the next stage of this process.

We don't foresee any other matters moving to arbitration until late summer of 2015.

Please contact your Business Agent, Jeff Sanders, with any questions you may have about this update.

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