



# 2019 Forest Industry Bargaining

## USW LOCAL 1-1937 UPDATE

2019 BARGAINING UPDATE #22 – October 1, 2019

### Coast Bargaining Committee - News Release

#### USW REPLY RE: WFP LETTER TO EMPLOYEES DATED SEPTEMBER 27<sup>TH</sup>

On September 27<sup>th</sup> Western Forest Products Inc. put out a letter to all employees in which they made many false and misleading statements. It is getting to be a bit redundant to explain once again why the massive concessions are not acceptable to our members, yet here we go again...

The Local Union hopes to clear up WFP's statements in the same order they addressed them in the letter:

When the Company states, "*We have made a request of the USW to return to mediated discussions with our mediators... to work through all items that both sides have on the table. However, we have not received a positive response to date.*"

What the Company fails to say is that their request on September 24<sup>th</sup> was to inappropriately approach the Union near the end of the latest unwarranted LRB hearing they applied for and mention that we should go back to mediation. When the Union asked if they were going to move off their concessions (their refusal to move ended the last mediation session) the Company representative simply walked away without answering.

In discussing specific issues of their proposal, the Company's letter fails to mention that their positions are all concessionary, with the exception of wages, which on its own is still a significant distance from the Union's proposal and has not moved.

#### Term

The Local Union and its members' experience with the last five (5) year term was a bad one, in which the Company took advantage of the long-term agreement to put its member targeting Drug & Alcohol policy in place, introduced unwanted, unsafe alternate shifts and put other negative policies in place. The five (5) year term proposed is a concession. The Union will not agree to that length of agreement going forward.

#### Contracting Out

WFP falsely infers that under the Forest Act they have to contract out our members' jobs by a minimum of fifty percent (50%) of the harvesting activities in each of their Tree Farm Licences (TFLs). The forest act requirement they note is related to Bill 13 rights and in no way affects our right to protect parent company bargaining unit positions from contracting out. They simply want to contract out all parent company crew operations, by phases, to break up the bargaining unit into smaller and smaller units which allows them to put the liabilities onto the contractors. What happens next is that

contractors get squeezed by the licensee and who in turn fail to live up to their Collective Agreement obligations which create a range of extremely negative impacts for our members and for the Local Union. The Local Union and the membership's very negative experience with subdivision and phase contracting in various parts of the Local Union are why further contracting out will not be agreed to now or in the future.

### **Pensions**

This is a non-starter. The Union will not entertain the slow erosion of our Pension Plan. Full stop. The Company knows this proposal is illegitimate as the Pension Plan Trustees would have to agree to revise provisions of the Pension Trust and Text to allow such a proposal and the Union Trustees for one will never agree to such a change. Keeping this proposal on the table is an insult to every member and is preventing progress in mediation.

### **Benefits**

Their proposal is again a self-serving one. They want control of the H&W benefits so that they can determine the fine print which determines if a member qualifies for the benefit. By saying they would preserve the benefit levels and maybe even improve some is misleading as they forget to mention they would have control of the details and the devil is in the details. This is a coast-wide plan that provides good cost-effective benefits, for both our members, WFP and the contractor community. WFP will not be allowed to shop this plan.

### **Long Term Disability (LTD)**

While it is true that the LTD Plan is fully funded for the current benefit levels the Company wants to take money out of the plan and put in their pocket (and give you back 0.22 cents), which effectively takes away any ability to improve the benefit by adding a cost of living increase review for LTD recipients every three years and having the right to collect LTD after age 60 up to age 65, as we have proposed.

If the funding were to be reduced, we would have to negotiate new money to improve benefits in the years to come which would be hard to do once it's lost.

As we already have that funding in place, why would we want to reduce it now? Just because the Interior Forest Industry is having difficulties with fibre supply and were under pressure to reduce costs, it does not mean the coast has to follow suit.

WFP also does not acknowledge that members are working longer and that this is an important benefit for all members to have as an insurance policy if they are unable to work due to a disability.

### **Vacation Pay**

On the issue of Vacation Pay they advise they just want to have a common cut-off date but what they do not explain is that they want to move that date before June 15 so that any wage increase is not calculated into your vacation pay payout. It is a concession that will not be agreed upon.

### **Other Items**

While in their letter WFP seems to be owning up to the fact that the Coastal Forest Industry is different than the Interior Forest Industry because of higher value products (diverse and growing markets by their own admission) they then say that the costs are higher on the Coast, which is true, but they fail to note that the higher costs do not offset the higher value (by 50%) and plentiful high-value timber supply. When WFP says employees should seek out their own independent sources regarding the state of the Coastal Forest Industry, remember the Union's source is primarily WFP themselves and their own reports.

WFP also points to disproportionate duties applied on the higher value softwood exports into the US market, without telling you that the money is not gone or that they expect to get a very large portion of those duties returned to them when a softwood lumber deal is finalized. You will recall that WFP received their fair share of the over \$4 Billion (of the \$5.3 Billion dollars collected) that were returned to Canada when the last softwood lumber agreement was reached in 2006.

### **Union's Bargaining Proposals**

The biggest thing missing from WFP's letter dated September 27<sup>th</sup> to our members is the fact that they do not address any of the members' issues that were brought to the bargaining table. Many of the Local Union's proposals have no monetary value, yet WFP has rejected virtually all of them, in bargaining and in mediation, to date.

The Local Union remains available for mediation but we state again, we cannot and will not bargain with ourselves.

The Company has to realize by now that the Local Union will not agree to concessions and that the Company must take seriously the members' issues that are on the bargaining table if we are to reach an agreement.

### **Respect**

And finally, in another misleading and almost laughable instance, WFP states they "respect" the members' right to strike and their right to belong to a Union. If that were true, they would not be challenging your right to strike at the Labour Relations Board on a regular basis since July 1<sup>st</sup> and constantly trying to undermine your Union.

The disrespect shown by WFP to its employees is staggering.

- They don't care about the long dangerous hours you work
- They don't care you are not impaired when they terminate long service employees for "violations" of the ridiculous Drug & Alcohol policy
- They want to contract out your job
- They want a two-tiered wage system
- They don't care about your life after work when they attack your pension

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- They don't care about the impact when they eliminate 40 plus years of local agreements and practices
- They don't care if you get severance pay when you lose a job due to tech change
- They want to reduce your vacation time for senior employees
- They want to eliminate your floating holiday
- They don't want to agree to any of the members' proposals we have brought to the bargaining table.
- **They don't care about you, your spouse or your children's health when they cut off your benefits**

### **Does that sound like respect?**

No, because WFP does not care about their employees.

They care about themselves. They are greedy and they are overreaching by asking for concessions when this company has and will continue to profit greatly from the members' labour.

If they cannot figure out why workers (who create the wealth for this company) would want to strike with what they are proposing, they need more than mediation help.



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