



## **USW LOCAL 1-1937 NEWS UPDATE:**

### **650 USW MEMBERS CAUGHT IN DISPUTE BETWEEN MOSAIC AND MANUFACTURERS – LOCAL UNION SUPPORTS GETTING THEM BACK TO WORK**

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May 23, 2020

Dear Brothers and Sisters,

You are receiving this Local Union Update today because there has been misinformation spread through various media sources regarding several separate issues that USW Local 1-1937 has been working on with private forest land owners, Mosaic Forest Management (which includes Timberwest, and Island Timberlands).

Here are the facts on what the Union has been working on with Mosaic:

1. The parties have been working on an “agreement in principle” that resolves over 30 outstanding grievances, develops operational efficiencies that will both benefit Mosaic and USW members and, as part of that settlement, two non-union log sort facilities will unionize. This agreement in principle has not been finalized and has not yet gone to our affected members for ratification.
2. Separately, the Union proposed a Memorandum of Agreement (MOA) for Island Timberlands North West Bay Operation that would see the parties sign the five (5) year USW-WFP pattern collective agreement for coastal BC. This MOA which is not yet finalized or ratified, is a positive step for both parties.
3. Mosaic then approached the Union and explained the problems they are having in restarting operations that have been idle since November of 2019. They advised they emptied their supply chain of logs when operations shut down during the coastal strike and need certainty of log sale prices in order to economically resume operations.

The support Mosaic requested was for USW Local 1-1937 to participate in a lobby of the federal government to temporarily allow a specific volume of logs (consistent with Mosaics traditional export volumes) to be exported for the purpose of allowing Mosaic operations to start up in a manner that was economical.

***The request was not for a permanent change, but one that would be temporary and designed to help all operational stakeholders in the coastal forest industry.***

***In considering this request, we noted a number of issues including: 1. The vast majority of the 650 USW Local 1-1937 members working for Mosaic contractors, have been laid off since November 2019 and would soon have their benefits expire; and 2. The continued negative impact of the shutdown on Mosaic contract companies could cause even longer term layoffs for our members.***

We therefore gave their request serious consideration.

Mosaic noted that without approval of the federal government for temporary relief or an agreement with domestic buyers on paying higher prices for logs, they could not restart operations which would keep operations shut down, simply allowing the trees to grow.

***Having shuttered operations does absolutely nothing to assist our members and their families, not to mention the contractors our members work for. Due to the unique and temporary nature (3 months) of the request, USW Local 1-1937 gave our conditional support for the lobby effort in order to help get the log supply chain replenished on the Coast and allow the benefits that flow from that, including and most importantly getting work for our members and contractors and increasing the log supply that domestic manufacturers and pulp mills need.***

San Group CEO Kamal Sanghera himself noted clearly, in a recent Alberni Valley News article (May 20) that “the supply chain is empty” and his business in Port Alberni is suffering because of it. This is one of reasons that the Local Union agreed to work with Mosaic in trying to get their operations started.

***It is important to note, that no private land owner or Crown land licensee is able to export pulp logs and certain species, such as western red cedar and cypress, regardless of any temporary relief the federal government may have agreed too.***

As always, any actual decisions on federal log export regulations remain with the federal government. The Union or Mosaic cannot just change them by joint agreement. For complete transparency, the federal government has advised the USW that they do not support the temporary change requested, due to concerns over possible negative impacts to softwood lumber negotiations with the US. We understood this would likely be the answer we received, but we had to try and support our members.

***I also want to be clear that USW's support for our laid off members, and goal to have more logs in the coastal supply chain, in no way changes the USW's longstanding resolutions to have more logs processed in BC in order to increase the number of jobs we create from the working forest.***

The San Group also noted in the Alberni Valley News that there is a role for log exports from BC. The USW agrees with this and has long stated that there are certain circumstances that log exports may be necessary and are unlikely to be completely eliminated. Those circumstances are complicated and too long to state here.

The Union is well aware of the optics in supporting temporary relief on a certain volume of exports and we also know the problems created by that support being misconstrued in print and social media, as articles and posts were made without details and context. Knowing the details and context in this circumstance really matters.

I can assure domestic manufacturers and pulp mills that our support for Mosaics desire for temporary relief, will not negatively impact their ability to access the fibre they need to operate. In fact, it would help domestic manufacturers and pulp mills by increasing the volume of logs available in the coastal supply chain.

### ***How do we fix this?***

***The best way to keep 650 plus members from continuing to be caught between Mosaic and Manufacturers, remains having coastal manufacturers find agreements with Mosaic on log prices. This will allow Mosaic to put our members back to work and make more logs available for coastal sawmills and pulp mills. It is a win, win, win. We remain hopeful that this will be the end result.***

Hopefully this update allows our members a fuller understanding of the issue, but if you still have questions, please contact your operations, Local Union representative.

In Solidarity,

Brian Butler  
President