COLLECTIVE BARGAINING 2011-02

As of January 20, 2011

During the weekend of January 15, 2011, the Local concluded their discussions in front of the Arbitrator, Mr. Brian Keller and the Arbitration Board, consisting of Mr. Ron Smith for the union and Ms. Mary Gleason for the employer. Representing Local 2245 was the Bargaining Committee, three members of the Contract Committee (Mark Telewiak, Serge Limoges and Ed Martin), Bob Orr (Assistant to the President Ken Lewenza) and L2245's CAW National Representative Joel Fournier.

The sick leave buyout was by far the largest and most contentious issue in front of the two parties. The Local presented a viable case where the Company could save money based on the parameters presented to us on how the sick leave buyout came into being for another bargaining unit (BU), the air traffic controllers.

The largest, operational bargaining unit at Nav Canada has some interesting facts as it pertains to sick leave. From the outset of bargaining, the Company indicated that the sick leave buy-out provision would not be offered to any other bargaining unit because there was no business case for savings. Their rationale was that the high cost of overtime directly attributable to the high usage of sick leave was a problem associated with the largest bargaining unit. The factors outlined by the Company were the potential reduction in sick leave, the back-fill rate and therefore the cost of the overtime for that back-fill. Generally, employees of that BU do not have or maintain large, sick leave banks. Keep in mind that large sick leave banks represent a large liability on the Employer's books as they must financially protect funds in the event that this leave is used at some time. Great discussion was had about accounting rules. The Company's reason for offering the buyout to this group (because it was a Company interest) was the enormous cost saving over a significant period if these employees started reducing their sick leave usage. The Company indicated that it was to drive behavioural change.

The second largest, operational bargaining unit at Nav Canada, Flight Service Specialists, have a different set of facts as it pertains to sick leave. Company data indicated that all members of the BU, regardless of seniority, utilize sick leave at an approximate rate of 8 days per year. According to the Company, the back-fill rate was only 30%. FSS also have extremely large sick leave banks. This amount represents a liability on the Company financial sheets. Seventy percent of all overtime generated by FSS is paid at the lower rate of 1.5. Therefore, when a member calls in sick the extraneous cost to the Company is much lower, because of the lower overtime rate and a lower back-fill rate. The Company's reason for denying the buyout to our group (because it was the Local's demand) was because there were no cost savings to be realized for them

The Union presented vigorous arguments to support the demand for similar treatment based on several parameters. Along with the importance of pattern bargaining, Bill Murningham, CAW Economist, presented evidence that indicated that the actual back-fill rate was closer to 70%, rather than 30%.. We conceded that our BU size of roughly one-third that of the largest group, and the fact they their salaries are higher, we could never realize the same cost savings as the other group, should they ever truly be realized. We did, however, present a case where even at current usage, an incentive to the membership that reduced sick leave usage provided a cost savings to the Company. This was also fortified with an examination of sick leave usage via the FSS population's generational quantum. We also highlighted concerns of the appearance and morale on the BU if the Company failed to recognize the pattern that typically unfolds.

Discussions with the Med/Arb Board centered around three items in this equation: the back-fill rate, overtime rates and actual cost savings associated with reductions in sick leave. Ultimately, even if there was some adjustment to the back-fill rate (say 50%), the Company indicated that there were no significant cost savings to be realized simply due to the fact that at a rate of 1.5 for overtime, the very low sick leave usage and huge cost of the existing sick leave banks, it did not make sense to offer it to FSS. Because of this reasoning, there was no incentive in their opinion to look at options of what could be done. Given the facts and numbers before them, the Med/Arb Board will have it's work cut out for them.

More positive discussions were had on some of the outstanding interests of both parties. While the pattern has been set at Nav Canada with regards to wages and premiums, other items of interest to L2245 were examined and discussed. Lump-sum payments for IPA travel, additional employment security provisions, additional seniority bid sites, and additional green-circling provisions were among the items discussed. Outstanding classification issues were discussed as well.

The Company submitted their interests as well. Items of note include staffing concerns, national seniority bidding, amend the order of staffing, eliminate transfers and delete bumping provisions. Amending severance pay was also a subject.

Considerable time was also allotted for the discussions on pension concerns (for both parties), duration of agreement and double-time overtime.

A decision is expected within 45 days.

The VPs will have regional conference calls with the shop stewards. Most FIRs have been completed to date. For further information or if you have any questions, please contact your local steward, Contract Committee representative or regional Vice President.

The Bargaining Committee, Air Traffic Specialists Local 2245 CAW-Canada