



Bargaining Update #6

Company Walks Away From Bargaining Table

Based on the Company's behavior at the bargaining table, it is apparent to the Union that the Company is not interested in bargaining in good faith to achieve a new collective agreement.

On Monday June 12th, 2017, your committee met with the Company at 8 am to receive their response to our non-monetary demands. As previously mentioned, the Company has been attempting to re-define the way we've negotiated collective agreements going back decades between the parties.

This approach by the Company was first shared with the Union on May 15th when we met with the Company to exchange demands. At this time the parties had agreed to table our demands and there were two exceptions;

1. We gave ourselves an extension till June 8th to table demands on things that might develop subsequent to the original exchange such as new arbitration awards which might result in one of the parties wanting to table something late.
2. Secondly, our wage demand, which we traditionally wait to table later in the process.

When May 15th rolled around, the Union had prepared its demands in writing with clarity so the Company was easily able to see what we were demanding. At this time the Company passed the Union 16 pages with 16 topics they wanted to talk about and they further indicated they would be tabling their monetary demands in July. They informed us for the first time that they intended to do "interest" bargaining and this meant they wanted to talk about things but not talk to specific demands as we have done for decades.

Since this point there have been a few face to face meetings where the Union has consistently expressed that the Company's approach isn't something we're interested in doing and the Company must table specific written demands and respond to our demands as presented.

What is "interest" based bargaining?

Interest bargaining is a concept which involves the parties talking about an issue until such time as they are close to an agreement. When the parties are close to an agreement, language is tabled to capture the agreement and it's signed off. **If you don't end up close to an agreement what then? When you start exchanging written language late in the game aren't you really just starting the normal process anyways?**

By contrast, the way we always negotiate is by the parties tabling the specific language they would like to see in the agreement, providing arguments to support their demands and having the other side respond and/or table counter offers until an agreement is reached. Everybody shows their hand at the same time, there's clarity on what you're seeking, the parties can respond to specific demands with a clear indication of what they're prepared to do. This process is familiar to both parties and has always resulted in a new collective agreement having a **100% success rate**.

Please see next page...

What's wrong with trying something new?

The Union has been blind-sided with something this Company has introduced using the same approach they have in recent times under their "master/slave mentality." Remember when they forced you to work overtime against your will, the restrictions they put on your ability to book consecutive weeks of vacation and other edicts that they decreed? The common theme being they didn't bother talking to the Union about these issues and they didn't consider our member's interests when they did this.

The Union and our members have been steamrolled by the KMP train and the Company did so knowing they were violating our contract not caring for your quality of life as they did it. In the months leading up to your committee being released for negotiations, the Union began early preparations by selecting our committee and defining our time-line. We tried for months to get the Company to meet with us to negotiate the Protocol agreement but they ignored our requests and only once our time-lines had been frustrated did they finally agree to meet with us. The Protocol agreement we signed took one day to negotiate as it was basically the same agreement that we had in 2012 with some small changes.

At no time in the lead-up to the signing of the Protocol agreement did the Company raise any matters relating to the way they wanted to negotiate nor was there even one indication they wanted to change the way we've done packaging. Regarding the dates to exchange demands, the Company never mentioned any desire to withhold their monetary demands till July nor was there any mention that the meaning of the "monetary demands" traditionally tabled by the Union later in the process was going to be different from their perspective.

We've taken the position that it was incumbent on the Company to raise these matters with the Union well in advance of the exchange of demands and in fact before the Protocol agreement was signed. The Protocol agreement was signed based on the agreement the parties have always had and the Company doesn't get to change this after signing it with no notice to the Union. All the literature on Interest bargaining tells us that it only works when the parties have three things in place going into it. These three things are:

1. A well-established good working relationship
2. Trust between the parties.
3. A significant amount of time to complete the process.

On the relationship, the Union and our members are well aware the way this Company has disrespected us leading up to KMP and now beyond. There is a new management group that has said they want to have a better relationship recognizing they could have done things differently however they've done nothing to show us this is real. They forced us to challenge them at arbitration to prove what our members have been saying on things like mandatory overtime and vacation scheduling. It's not like they said "sorry" and let's build a new relationship, they forced us to have an arbitrator tell them they were wrong and they've been sore losers ever since. The Company didn't turn around and reinstitute the shift schedules which had been ended for no reason disrupting your quality of life.

So no, the Union doesn't believe there has been any change to the broken relationship and in fact what we see continues to give us concerns.

On the issue of trust, the Union and our members have been dealt harsh blows in recent years. The Company has ignored the long standing relationship which had defined the grey areas in our agreement providing us with a working relationship and establishing a level of respect. There are different ways to

establish trust and different ways to betray trust. The fact that the Company simply ignores our issues and continues to betray the history of this relationship speaks clearly to the issue of trust. We've told the Company for the record that we don't trust them. It's clear that this Company has no interest in considering the issues raised by our members from our perspective. This Company continues to move in a direction where we are treated the same as third party contractors in the plant. If you've watched the way third party contractors have been treated and listened to their opinion of Rio Tinto you know that this is a huge betrayal for our Union and members.

Interest based bargaining requires significantly more time at the table to reach understanding on topics and then develop language capturing those agreements. This approach may have worked if we started negotiating back in October 2016.

Where are we today with bargaining?

As of Monday morning, we met with the Company to receive their response on our demands. The Company maintained that they were prepared to talk but they wanted to start with Article 7. The Union reiterated that we'll start with our first demand and work our way to Article 7 and beyond. They were told that we will not be "cherry picking" areas of the contract to speak about, the process is simple and efficient when demands are provided and responded to in the order they were presented. After a brief caucus called by the Company we reconvened and they responded by telling us the way they wanted to bargain and calling on us to negotiate their way. No sooner did the words come out of their mouth before they stood up and walked out telling us to call them when we were ready to bargain.

Starting to sound familiar, apparently somebody forgot to mention this isn't the shop floor anymore there's no boss at this table!

The Union remains firm that we are here to negotiate a new collective agreement but as you can appreciate, this is impossible when the Company continues to behave the way they are. This behavior really begs the question if they actually do want a new collective agreement or not?

Think about what we're dealing with at the table;

Company says, we want a new relationship, **this is how it will work!**

Company says, we want to talk about our demands, **but we're not going to tell you what they look like!**

Company says, we want to be agile and flexible to respond to challenges, **we want concessions on everything to achieve this!**

Company says, we want a new collective agreement, **we've selected a committee with zero collective bargaining experience to achieve it!**

The Company's behavior is creating issues at the table which your committee has anticipated. We've continued to work towards maintaining our historical process in line with the protocol agreement signed by the parties. Weeks of hard work by the Union has resulted in clear comprehensive demands that have been delivered to the Company on time as agreed. A full explanation of our demands has been provided to the Company to ensure there are no surprises moving forward. We continue to meet our obligations by contributing to the process and remaining willing to meet and negotiate a new agreement. The Company has walked away from the table because the Union is remaining firm on the process that we've agreed to, not allowing the Company to change history with no notice, rhyme or reason.

The Company's behavior is irresponsible and doesn't bode well for the prospect of achieving a new agreement. Their concessionary approach to problem solving is clearly contrary to the Union's agenda that there will be no concessions. If this is the best that the Company can come up with in terms of being creative it speaks volumes to the success of Kitimat Works in the future.

At this point the Company is unwilling to respond to our specific demands at the table. We have presented our demands in a numerical order following the CLA. The Company is attempting to censor our membership's issues by refusing to respond to them at the table.

The Company's approach seems sloppy and unorganized but the Union believes it is a calculated approach to run out the bargaining clock, so that our member's issues are withdrawn from the table without due consideration, which in our view amounts to bad faith bargaining.

We are demanding that the Company abandons this approach and returns to the table where "hard bargaining" can take place. We view bargaining in good faith as responding to each other's demands in the order that they were presented. If in their responses they wish to provide alternate language for the Union to consider they are free to do so, but we know one thing for sure, at this point, walking away from the table will not produce a new CLA.

