

IN THE MATTER OF A COLLECTIVE BARGAINING DISPUTE

BETWEEN:

TECK HIGHLAND VALLEY COPPER PARTNERSHP
(the “Employer” or “HVC”)

AND:

UNITED STEELWORKERS, LOCAL 7619
(the “Union”)

RECOMMENDATIONS FOR SETTLEMENT

SUBMITTED TO THE PARTIES BY

**MEDIATORS VINCENT L. READY
AND
CORINN BELL, QC**

ON

JANUARY 16, 2022

On October 26, 2021, the Employer and Union requested assistance in mediating a resolution to their collective bargaining dispute.

The mediation appointment was made pursuant to s. 74 of the *Labour Relations Code*.

We met with the parties in mediation on November 29, 30, January 3, 4, 8, 14, 15 and 16, 2022. During the course of mediation, we made considerable progress on resolving a significant number of issues. However, at the conclusion of the mediation process, a stalemate remained over the issues of wages. The Union entered into a legal strike position as of January 16, 2022.

After spending multiple days with the parties in mediation, we carefully examined the outstanding issues in an effort to resolve the bargaining deadlock. In order to resolve this dispute, we came to the conclusion that non-binding recommendations would assist both parties. We encourage both parties to carefully consider the recommendations outlined below.

The Parties to the Dispute

HVC operates a large open pit mine near Logan Lake, situated 80 km from Kamloops, British Columbia. HVC currently employs approximately 1048 workers. It is one of the largest employers in the Thompson Nicola Region of British Columbia. The Union has represented the employees at HVC since 1969.

History of Negotiations

The previous Collective Agreement expired on September 30, 2021. The parties engaged in direct negotiations throughout the Fall. They held approximately 39 days of collective bargaining negotiations prior to our involvement.

Mediation talks were held on November 29, 30, 2021, January 3, 4, 8 14, 15 and 16, 2022. As stated earlier, the parties made significant progress both in direct negotiations and during the mediation process. However, they were unable to agree on wages.

Before making our recommendations, we believe it is useful to comment on the respective positions of the parties.

For its part, HVC's last written position is that its wage proposals of 2% over the five years plus the additional signing bonuses of \$3,000/year for a five-year agreement is consistent with the pattern established in other collective agreements negotiated with the United Steelworkers. More specifically, HVC points to recent agreements in the coal mining industry, which settled for similar wages and signing bonuses.

HVC's position is that the proposed settlement offer provides wages, benefits, and pension that are far superior to wages, benefits, pension at its other mines within British Columbia, and the rest of the mining industry generally.

In support of its last bargaining position of 3% wage increases in each year (in addition to a signing bonus), the Union points to the Employer's record profits and the current commodity prices. The Union's position is that HVC can afford the wages and benefits it is proposing in bargaining. The Union also points to the recent rise in the cost of living to support its proposals in these negotiations.

Analysis and Recommendations

In arriving at our recommendations we are obligated, just as the two negotiating committees are, to consider a number of important factors, including: internal and external comparators within other Teck operations and the mining industry as a whole; the cost of living; the commodity price cycles, and the special circumstances at play

negotiating a collective agreement in a pandemic, combined with the reality that the mine site is located in an area of British Columbia that has been severely impacted by forest fires and floods in 2021.

Also important, we have taken into account the costs and impacts that a lengthy labour dispute will have on members of the bargaining unit and their families, as well as the impacts that a strike would have on the multiple communities in the area.

All matters previously agreed between the parties in direct negotiations and during the mediation process shall be incorporated into the renewed Collective Agreement upon ratification. The parties are directed to execute those items upon ratification.

In addition to the wages, signing bonus and recommendations contained in these recommendations, there are other significant benefit and language improvements which greatly assist the bargaining unit employees during the term of the Collective Agreement. Those include:

- Enhancements to the following benefits: extended health benefits, paramedical annual benefits, health and wellness benefits, short-term and long-term disability benefits, and life insurance benefits;
- 17 weeks of maternity leave with EI top-up to 100% base earning for birth mothers;
- Shift premium increases;
- Tool allowance increases;
- Enhancements to vacation bookings and days in lieu/floater language;
- Establishment of both an Indigenous and Sun Life Committee;
- Enhancement to boot allowance for shovel crew and Shift Crew Field Rovers; and,
- Recognition of National day for Truth and Reconciliation, should it be legislated by the Provincial Government.

We now turn to our recommendations.

1. Signing Bonus

A lump sum payment of \$20,000.00 made to all active members of the bargaining unit, including employees on union leave. This lump sum payment will also be paid to bargaining unit members that retired between October 1, 2021 and the date of ratification. This lump sum payment will be made no later than thirty days after the date of ratification. At the employee's written election, some or all of this payment can be made into RRSPs through the CUMIS plan.

2. Wage Increases

Year 1	2% (retroactive to October 1, 2021)
Year 2	2%
Year 3	2%
Year 4	2%
Year 5	2%

3. Pandemic Pay

During the mediation, the Employer offered to sign a Letter of Intent respecting pandemic pay that would last for the duration of the COVID-19 pandemic. We recommend that Letter of Intent be formalized and implemented for the duration of the pandemic.

4. Short Term Disability Waiting Period

In addition to the increase to short term disability from \$800 to \$850/week, as agreed to by the parties, we recommend the short-term disability benefit is provided

from the first day of accident and **third (3rd)** scheduled working day of sickness or from the first day of surgery for fifty-two weeks (the Collective Agreement currently reads fourth scheduled working day).

5. Statutory Holiday Pay

The “average days’ pay language” agreed to by the parties respecting the Employment Standards statutory pay will be applied retroactively to October 1, 2021 to all active employees.

6. Communications and Voting Procedures

These recommendations will be posted on the Union’s bulletin boards and posted on the home page of the Union’s websites prior to a ratification vote of the membership and voted on by its membership Union in a secret ballot vote.

6. Withdrawn Proposals

Any proposal not mentioned in these recommendations is deemed to be withdrawn by the party that made the proposal.

These recommendations will be presented to the Executive Committee of the Employer for their approval or rejection.

In the event that are any issues in the implementation of these recommendations, those matters shall be referred back to the mediators for a final and binding resolution.

The parties will advise the mediators of their acceptance or rejection of these recommendations as soon as possible and no later by the close of business on January 24, 2022.

Finally, we note that this was a particularly difficult round of bargaining and that the Union bargaining committee negotiated to impasse on a number of very difficult issues and, as such, we have made the decision to issue the above recommendation report as representative of a compromise to all issues in the dispute. We sincerely thank the negotiators and members of each negotiating committee for their diligence and assistance throughout the mediation process. We recommend that the parties seriously consider these recommendations to avoid a lengthy labour dispute.

All of which is submitted on this 16th day of January, 2022.



VINCENT L. READY



CORINN M. BELL, Q.C.