

February 20, 2012

McPhillips Arbitration Award

Employees of Western Forest Products Nanaimo Division

Arbitrator Rules against Severance Pay

Today the Local Union received the decision of Arbitrator David McPhillips regarding the three day Arbitration Hearing which concluded on November 10, 2011.

Background: The Planer Mill was shut down in December of 2008 and has not operated since. In December of 2010 the Planer Mill reached the 24 month time frame stipulated under the Collective Agreement which entitles members to severance pay. The Company has refused to pay severance pay to the employees claiming that while there was language in the 2010 Collective Agreement stating severance would be paid when a Planer Mill was shut down for 24 months, they claimed that because the language covering Planer Mills didn't exist at the time of the original layoff in 2008, no severance was owed. The Union claimed that the layoff in 2008 was just that, a layoff, and the important fact was that the 2010 contract language ensuring severance would be paid, if a Planer Mill did not operate for 24 months, was in place when the 24 month time period passed in mid-December 2010.

The Arbitrator ruled in favour of the Company by concluding that the language of the 2007-2010 Collective Agreement applied to the shutdown of the Planer Mill which denies the membership their contractual rights. The Arbitrator ruled that the new language negotiated in the 2010-2014 Collective Agreement, covering the Planer Mill as a principle part of the Plant came into effect at the date of signing and would not apply to the Nanaimo Division Planer Mill shutdown, even though the Company did not advise the Union that it would not restart the Planer Mill until October of 2010 and the 24 months of shutdown was reached while operating under the 2010-2014 agreement. We have asked our Lawyer to look into the possibility of an appeal and she has advised us that an appeal would not be successful.

The decision of the Arbitrator is extremely frustrating for all members involved, and will be especially so, for those that have had a difficult time in finding work since the closure of the Planer.

A link to the Arbitrators decision is attached.

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USW 1-1937