



LOCAL 1-417

United Steelworkers

Local 1-417

Unity and Strength for Workers

October 17, 2018

Open Letter to USW 1-417 Members Who Work Under the Southern Interior Master Agreement

As everyone is well aware our collective agreement term concluded June 30 this year. Long before our collective agreement expired your bargaining team was preparing for bargaining by receiving contract proposals from Rank and File USW members across BC. With the assistance of the USW Legal and Research departments we formulated Rank and File proposals into proposals that were presented to forestry employers across the interior and north of BC. Your Local Union Officers, Staff and Plant Committees have been working extremely hard to keep USW 1-417 members as informed as possible. We are presently on our 14th bargaining bulletin, in addition to printing and posting the bulletins we also post on social media, our local union web site and text blast out to hundreds of USW members cell phones. If you review our posters you will clearly see a pattern of forestry employers refusing to engage us in meaningful bargaining. Despite the barriers, your bargaining committee has held steadfast demanding a fair collective agreement for USW members.

Lumber and Plywood Markets

Most forest workers to some extent follow forestry markets, most if not all members are well aware of the remarkable forestry markets over the last few years. Not only did lumber prices hit all time records, to the surprise of many, despite increased production and a blank cheque on overtime, lumber markets remained at record levels. Like all things, what goes up must come down, as of writing this lumber prices had fallen from around \$600/thousand to around \$330/thousand. A drop of over \$250/thousand sounds incredible however, prior to the last few years of record forestry markets, anything over \$300/thousand was considered strong markets in fact in 2009, lumber prices fell below \$140/thousand. Plywood markets a bit more complex to analyze however, like lumber although to a lesser extent plywood has also experienced extremely strong markets. With declining available timber and expanding markets both domestically in the US and off shore, forestry employers are positioned to remain highly profitable in the years to come.

Log Prices and Stumpage Rates

Many of our employers have held crew talks with management expressing concerns regarding log costs. Stumpage rates are set based on a formula that in large part, relies on forestry markets prices over the prior stumpage period. Stumpage rates regularly rise and fall with the markets, the stumpage system is not super responsive to the existing market as it is set based on the prior period. Because of this delayed response often lumber prices are out of sync with stumpage rates. Bottom line is even if stumpage is out of sync with markets, they will correct. Although not usually discussed at crew talks forestry employers have seen significant gains due to reduced stumpage and rising markets.

All Members are Encouraged to Attend the Strike Vote Information Meetings

Why Would Management Seek a Five-Year Agreement if the Industry Truly Faced Uncertain Times?

We strongly believe that forestry has a bright profitable future and we are undeterred by what is a short-term market reduction. If forestry employers truly believed forestry markets were uncertain, why would they be demanding a five-year contract? It is our goal to negotiate an agreement that ensures the workers responsible for companies' profits, share in the profits they earned. The law requires employers to open their books if they argue they can not afford to pay increases sought in bargaining. Employers have never said they couldn't pay our requested increases, employers simply don't want to pay fair increases.

Does the Forest Industry Really Need Concessions from Their Workers?

We have just experienced record forest markets and directly connected to that, record industry profits. Yet despite this prosperity the forest industry is attempting to make workers buy their pay increases. Cost shifting benefits and other concessions have one result, costs being downloaded to you and your family. Although the IFLRA has gone to great lengths to disguise their concessions, make no mistake, concessions such as capping dental will result in additional costs for you and your family. To make things worse the IFLRA seeks a half decade term meaning you and your family would be locked in long term.

Why Do We Need a Strike Mandate?

More and more worker are living from pay cheque to pay cheque despite record industry profits. As workers we are slowly dying a death of a thousand small cuts due to skyrocketing costs in areas such as; housing, gas and food. Escalating cost of living has resulted in our pay cheques having to go further and further with more and more month remaining after the money has run out. It is Industries goal to lock you in a long-term contract with meager increases. We the Workers make Industry profits possible! Standing together we will be successful negotiating a collective agreement that shares in the forest industries bright future.

Will there be a Strike?

It has always been, and remains our goal, to negotiate a fair collective agreement not a strike. That being said if our employers choose to continue on the path of concessions and meager increase at some point, some form of strike action may be necessary. Strike action could take a number of different forms/options ranging from an overtime ban, rotating strikes or as a last resort, a complete shutdown of the entire forest industry in the interior and north of BC. Rest assured that your bargaining committee has put a great deal of thought into how to strategically apply pressure on the forest industry to achieve a fair agreement. Although we hope to never use it, if needed we have three different strike funds to support workers. The International strike fund, District 3 strike fund and a Local Union strike fund. Strike pay is a set tax free amount, times the number of members on the seniority list, divided among the members who do strike duty.

***Show your Employer You will Not Accept Concessions or a Substandard Deal!
Support Your Bargaining Committee,
Vote Yes for a Fair Deal!***

In Solidarity, the Officers of USW Local 1-417

*Marty Gibbons (President), Jordan Lawrence (Financial Secretary), Tara Cavanagh (First Vice),
Tim Munro (Second Vice), Mike Iaccino (Third Vice), Kim Godyn (Warden),*

Phil Ducharme (Conductor), Madeleine Devooght (Recording Secretary)