Employer Response - August 18, 2016 (references are to article numbers)

1.1 The union - management agreement the union describes as its rationale for maintaining its hold on two management positions is not part of the certification order nor is it agreed under the terms of this agreement. The Employer resubmits its previous language.

1.2 The Employer is seeking the capacity to manage its staff in the same manner as has been achieved with CWA at BNI and TC Media and suggests comparable language to The Toronto Star and The Globe and Mail. The Employer is willing to modify its language in this section but it must be able to contract out work to a third party (such as Pagemasters) or to in source the work at market rates as has occurred at BNI and TC Media. This flexibility is paramount to the Employer. If the union has alternate language to suggest, the Employer is happy to listen. To be clear the Employer will not agree to any agreement that provides for employees working in the Hub to be paid more than market.

2. Management Rights - the Employer has proposed a management rights section that is common in other agreements including with CWA. The Employer believes that articulating these rights reduces confusion between management and union and provides greater clarity should an arbitrator be asked to review a dispute.

4 Transferability - The Employer has explained its reasoning and re-submits its proposed language.

5 Seniority - The Employer has referenced Brunswick News, The Toronto Star, The Globe and Mail and others throughout its negotiation with the union. The Employer isn't tied to a single agreement but has shown the union through its reference to other collective agreements that the provisions it seeks are common in the industry. The Employer worked hard to provide a compromise that the union could (and did) accept with regard to its desire to have in language protecting seniority on layoff. The old agreement has no such protection. As mentioned in the Employer's August 11 proposals, this compromise was key to ascertaining the union's willingness to reach a negotiated settlement. As evidenced by the union's refusal to return to language it previously accepted, the Employer is of the view that the union is not willing to negotiate to reach a compromise agreement but is looking to maintain an agreement that is significantly out of step with the industry and with the times. The Employer stated that its compromise language would be withdrawn and replaced with language this union has accepted at MBS Radio in Halifax if it was not accepted.

6 Technology - The Employer is not willing to maintain the old language providing an additional class of protection for the employees who were within the bargaining unit when it was formed. Skills and abilities are the focus for the Employer.

7 Severance - The Employer has made several modifications to its original offer and is not willing to further increase its severance provisions. The proposed provisions are consistent with or exceed the industry. The union's proposed severance is out of line with the market and is a non-starter. It is open to the union to contribute to the severance.

8 Wages - The Employer proposed a wage scale back on June 3 that it believes better addresses the value provided by the people and positions it identified, paying some positions more and reducing to more industry-consistent levels for others. The proposal would ensure the Employer retains the best talent.

The proposal by the union reduces pay for all employees without regard for the value they provide. The Employer acknowledges that the savings associated with the union's wage reduction proposal moves closer (in aggregate) to the cost under the Employer's proposal. The Employer is prepared to accept the proposal by the union for 5% wage reduction in year 1 provided that it is based on the work week as proposed by the Employer (40 hours) and subject to the proposed terms below. The Employer is enclosing a spreadsheet comparing members' year 1 salaries under the Employer proposal of June 3 to those under the union proposal. (Note: The Employer submits that the standard 40 hour work week underlies these annual wages.)

The Employer maintains an 8 year duration of agreement and the increases as proposed in its June 3rd proposal with the increases set forth therein.

The other terms of the wage scale and progression would be as established in the employer's June 3 proposals. The schedule of minimum salaries under Article 8.1 would be amended to reflect the wage reduction proposal of the union.

9 Pay equity - TA

10 Hours - The Employer maintains that it requires a 40 hour work week to provide the coverage needed with fewer employees. The Employer has already agreed to have O/T kick in immediately after the 40 hour standard work week. This represents a significant compromise from the Employer's original proposal. Note: The standard work week in Nova Scotia is 40 hours.

11 Holiday - Holiday is another clause that is a straight cost for the Employer. The previous contracts have provided a greater holiday provision than is normal within the industry or provided by statute in Nova Scotia and the Employer, who has provided ample evidence of financial need, is looking to reduce its costs.

12 Vacation - The Employer provided the union with a compromise position in its last offer. The Employer resubmits this language. Employees who were entitled to 7 weeks' vacation prior to the expiration of the last contract will be reduced to 6 and red circling of vacation entitlement will be made for other employees where applicable.

13 Sick leave - Local President Ingrid Bulmer was found by an arbitrator to have been guilty of serious misuse of the Employer's sick leave provisions. I quote the following from the Arbitrator's ruling:

As stated earlier, the issue in this case is not the failure to divulge medical information, but whether the Employer has proven that there was an abuse of sick leave. In addressing this issue the Employer is not restricted to the narrower issue of its entitlement to information. Rather in addressing the issue of whether there is abuse, the relevant evidence extends from the time that the Grievor first decided to see her doctor to get the note on June 14, until the time of suspension. ***For the reasons given I find that such evidence shows on the balance of probabilities that Ms. Bulmer misused her sick leave. I further find that her 28 days suspension without pay, which was equal to the time that she had taken off and for which she received pay, was warranted. I point out that in many of the cases that were cited to me where there had been an abuse of sick pay in similar circumstances, there were terminations of employment which were upheld.*** *(Emphasis Added)*

This serious misuse coupled with higher than average use of sick time by members of the bargaining unit (which is twice the Employer average) is part of the Employer's rationale for its changes. However, the Employer is looking not just to reduce misuse but also to reduce costs. This proposal, which is in line with other newspapers and other industries, both reduces cost and reduces the opportunity and incentive for those who are predisposed to misuse to do so.

14 We note that there is tentative agreement on 14.2, 14.5, 14.8 and 14.10. The other provisions are unchanged, with the exception of 14.4 which is changed only to reflect that approval for a leave of absence to attend union conventions is subject to operational approval and shall not be unreasonably withheld. This provision appears to us to be reasonable. In addition, the Employer has added the provisions for compassionate leave into this section for simplicity. We note that the union indicates no change and therefore propose that this is tentatively agreed.

15 Part-time - The Employer explained its reasoning in its previous proposal. For simplicity, it is restated here: "The Article has been simplified and states that part-time employees will have access to sick leave pay, vacation and holiday pay. Changes in salary provisions are made to accord with the progression through the salary grid as discussed above."

16 The union's response does not consider the variability in the cost of operating a motor vehicle, which is created by the fluctuating price of fuel. The Employer resubmits its proposal of June 3. The Employer is prepared to increase by CPI the base rate to address inflationary pressures unrelated to the cost of fuel.

17 With respect, the old language worked poorly (as evidenced by the union's byline strikes) and the union has sought to broaden its application. The Employer, not the union, is solely responsible for the content of the newspaper and, with the exception of removing a byline due to the legitimate concern over a material change in an article as proscribed by the clause in the expired agreement, the Employer is not willing to cede this control.

18 Bulletin board - The bulletin board clause is resubmitted without change. This clause has everything to do with cultural sustainability. As explained in the Employer's previous proposal, the editorial bargaining unit will share space with non-union members of staff (due to the closure of two floors of the building for economic reasons). The board has been used as an incendiary device to disrupt the workplace and the Employer's proposed language will allow only proper use in the future, which is particularly important given the new working environment.

19 Training - TA

20 Labour Management - TA

21 Grievance - The Employer maintains that appropriate skills and abilities are essential to sustain the Employer going forward. Furthermore, the Employer maintains - as the union accepted at MBS Radio - that management is the best judge of the skills and abilities required to meet the demands of its audience. Therefore, the Employer is not willing to accept a contract that puts this determination into the hands of others.

22 Duration and renewal - The Employer has stated that the future for the media industry is uncertain. That is why it has sought to increase flexibility in its proposed agreement. While it does not know what

changes will occur over the next eight years, it does know that the expense associated with bargaining is considerable and it therefore submits that a longer-term agreement is in its best interests.

<u>Other issues:</u>

As outlined in the Employer's August 11th document.

In addition, certain conduct on the picket line and activities in conjunction with the LocalXpress has generated potential disciplinary, conflict of interest and/or other challenges for re-integration of staff. There will be a review of all conduct and there may be discipline or modification of previous job duties precipitated by the employee's conduct while on strike.