

Date: January 26, 2009

Memo To: EC Members of CAPE

From: EC Negotiating Team

Subject: Vote – Final Offer from Employer

The enclosed information package presents to you the employer's final offer, a ballot and voting instructions.

The final offer includes all matters that had been settled at the table. In addition to these changes, it includes the pay adjustments, new bereavement provisions as well as a 150-day period to implement the new collective agreement.

- The consequences of a "yes" vote are that bargaining will be over and CAPE will sign an agreement, with the changes herewith described, on your behalf.
- The consequence of a "no" vote is that CAPE will invite the employer back to the table to pick up bargaining where the parties left off, including negotiation of the bereavement article and the implementation period. If the employer refuses to return to the table, CAPE's EC bargaining team will refer unresolved issues to arbitration. Issues that CAPE brought to the table and that remained unresolved when the final offer was imposed include: vacation leave; stop over when in travel status; and pay scale improvements for the EC conversion. Conversion pay scale improvements were meant to address matters that CAPE has been told, by the employer over the years, would be addressed when the parties negotiate new pay scales for the conversion. Unfortunately, improving conversion pay scales was a major issue that was never addressed at the table because bargaining came to a premature end with the employer's final offer.

At the same time that the final offer was made the employer stated publicly that special compensation legislation would be presented to the House of Commons as part of the federal budget, and that the legislation would unilaterally impose the wage adjustments included in the final offer or lower wage adjustments with no other changes to collective agreements. It was also said at that time that the special legislation would suspend the right to strike and the right to arbitration. The employer has since stated that the legislation will not include the suspension of the right to strike and arbitration.

At the time of writing this letter, the content of the special compensation legislation is not known. Therefore, CAPE's EC bargaining committee can only recommend the following prudent course of action. **Please consider carefully what is in the legislation before voting.**

CAPE has been taking action in order to ensure that nothing in the legislation would prohibit taking the matter of pay scale improvements for EC conversion to arbitration. However we do not know whether we will be successful in the end. Please visit CAPE's web site for updates on the matter, analysis of the legislation and the letter from CAPE's President to the President of the Treasury Board and to the Minister of Finance on the matter of EC conversion (www.acep-cape.ca).