File: 585-26-21

BETWEEN

PROFESSIONAL INSTITUTE OF THE PUBLIC SERVICE OF CANADA

Bargaining Agent

- and -

THE NATIONAL ENERGY BOARD

Employer

RE: Request for Arbitration in respect of all employees of the Employer

Before: Ken Norman, Chairperson and

Earl Schultz, Representative of the interests of the Employees

A.D. (Tony) Boettger, Representative of the interests of the Employer

For the PIPSC: James Bart, Regional Representative, Negotiator

For the NEB: Jock Climie, Counsel

Hearing Dates: October 16 & 17, 2008

Location: Calgary

ARBITRATION BOARD AWARD

- (1) On June 12, 2007, the PIPSC filed a notice to bargain.
- (2) The Collective Agreement expired on June 30, 2007.
- (3) The parties met at the table on 4 occasions in July; 3 in October; 2 in December; 1 in January and 1 in March when they finally reached an impasse on the complex issue of compensation.

- (4) On May 12, 2008, the PIPSC applied for arbitration.
- (5) On June 19, 2008, Casper M. Bloom, Q.C., Chairperson of the PSLRB, established this Board of Arbitration by appointing Ken Norman as chairperson, on the nomination of Earl Schultz and Tony Boettger.
- (6) The hearing convened on October 16, 2008. As a consequence of an early executive session of the Board, the parties were advised at the outset of the hearing, that their expectation of a 2-year agreement could not be met due to the terms of s.156 (3) of the *PSLRA*, which, in an unexceptional case such as this, requires an arbitral award to be for a term of not less than 1 year from the day on which it becomes binding on the parties. After some discussion, the parties agreed that the term of our award would reach from July 1, 2007, to October 31, 2009. At the end of that long day of arguments on the divergent modes of framing the compensation issue taken up by the parties, the Board began its deliberations. During these conversations, the chairperson benefited greatly from the vast compensation expertise of the side persons.
- (7) Having considered the singular impact on the NEB of the dramatic issues of recruitment, retention and external market pressures that have pertained and continue to exist in the City of Calgary in general and to it's energy sector's operational side in particular; the state of the economy and the Government of Canada's fiscal circumstances and the other factors that s. 148 of the *PSLRA* requires us to take into account, the Board regards the following to be reasonable and does award:

Economic Increases

July 1, 2007 to June 30, 2008	2.5%	
July 1, 2008 to October 31, 2009	2.5%	

Calgary Allowance

In recognition of retention issues faced by the NEB, specific to the City of Calgary's economic situation, a Calgary Allowance [CA] shall be paid to employees who are members of the bargaining unit as follows:

- a) effective July 1, 2007 an annual allowance equivalent to 2.5% of the employee's annual rate of pay; and
- b) effective July1, 2008, the allowance set out in (a) shall be increased by an amount equal to 2.5 % of the employee's annual rate of pay in effect as of July 1, 2008.

The weekly/daily/hourly CA rates shall be calculated in the same manner as contemplated by Article B1.01 of the collective agreement and paid to full-time employees on a bi-weekly basis for each month in which the employee receives at least ten day's pay and to part-time employees for all straight-time hours worked by the employee during the pay period.

Employees required to perform the duties of a higher classification level, and who qualify for acting pay, will be paid the allowance based on the acting rate of pay.

This allowance does not form part of the employee's salary and will not be used in calculating the rate of pay on promotion, transfer or deployment, nor will it be used in calculating the 4% vacation pay (for short term employees) or other entitlements such as premium pay in lieu of statutory holidays (for part-time employees). It will not be used in the calculation of the weekly rate of pay for purposes of maternity or parental premiums under the Supplementary Unemployment Benefits Plan nor paid for periods of leave without pay nor form part of educational allowances.

The allowance shall not be paid to or in respect of a person who ceased to be a member of the bargaining unit prior to the date of this award.

Payments of this allowance are subject to the usual statutory deductions.

Continuation of Letter of Understanding for Core Job Family Employees

The Joint Letter of Understanding, aimed at reducing dire retention and recruitment problems experienced in the Core Job Families of Economics & Financial Analysts, Environmental, Socio-Economic and Lands, Market Analysts, Safety & Engineering, Supply Analysts and Team Leaders in Core positions, signed by the parties on December 8, 2006, and still in force due to the statutory freeze, will continue.

(8) Incorporation and Effectiveness

All other items in dispute agreed to by the parties are hereby made part of this Award. All items, whether agreed by the parties or awarded by this board are effective the date of the Board's award unless specified by the Board otherwise.

(9) **Duration and Expiration Date**

This award takes effect on July 1, 2007. By operation of s.156 (3) of the *PSLRA*, its expiration date will be October 31, 2009.

Dated at Saskatoon, Saskatchewan, this 24th day of October, 2008.

 Ken Norman, Chairperson