While arguments in Vince Ready’s binding arbitration of the contract dispute between BC Ferry Services Inc. (BCFS) and the BC Ferry and Marine Workers’ Union (BCFMWU) are not to be heard until February 6th, a second dispute in another part of the BCFS empire is underway.

BC Ferries’ refit and service facility for its fleet of 35 ships is located at Deas Dock, virtually on top of the tunnel where Highway 99 goes under the South Arm of the Fraser River. When the Coastal Ferries Act was passed to ‘privatize’ BC Ferries, it specifically provided for the creation of a separate company for the Deas Dock operation.

The new company, Deas Pacific Marine Inc. (DPM), was formed and employs 169 skilled trades workers, transferred from BCFS on July 1, 2003. These workers, who are responsible for a full schedule of refits in the wintertime, and for running repairs on ships from one end of the coast to the other in the summer, in fact had little choice. If they did not transfer to the new company they would have been let go without severance pay, since the Coastal Ferries Act exempts BCFS and its subsidiaries from the provisions of both the Collective Agreement and the Labour Relations Code.

One of the results of this transfer was the creation of a separate BCFMWU bargaining unit, with separate contract negotiations. Negotiations started in September, and proceeded slowly. Management sought concessions; the union sought mainly job security.

The union called a strike vote on December 30, 2003 and reported on January 13, 2004 that the vote had gone 96% in favour of possible future strike action.

In mid-January, despite the fact that no strike notice had been given and negotiation were proceeding, BCFS withheld the Queen of Capilano and the Spirit of Vancouver for their booked refit, tying them up at other locations. Employees are without work to do, although they are still being paid. Deas Marine Pacific claims it is losing $55,000 per day.

However it is not clear if BCFS is breaking its contract with DPM and, if so what action Deas Marine Pacific is taking against BCFS.

On January 19, DPM wrote to the union: ‘We believe that, without the realignment of the Collective Agreement to reflect the business needs on which our December 16, 2003 proposal is based, DPM will be unable to maintain its historic levels of BC Ferry refit work and we will be unable to expand the business by competing successfully for commercial business. If we do not achieve many of our proposed changes, we believe DPM will decline and may close.’

DPM proposed that the dispute should go directly to binding arbitration, with Vince Ready as the arbitrator. Ready is already conducting binding arbitration in the dispute between the BCFS and the main BCFMWU local.

The union countered that this was bypassing some of the usual steps in negotiation, and proposed mediation. DPM agreed. On January 21, Stephen Rinfret was appointed mediator.

Jackie Miller, BCFMWU President, says she ‘deplores the creation of multiple bargaining units that result from the fragmentation of a formerly unified employer.

‘This can mean many unions at these various work sites throughout the BC Ferries operations with contracts opening and closing at different times, and virtually no labour peace for the BC Ferry system,’ she explains.

Miller quoted an Labour Relations Board decision: ‘...The thread running through each of these decisions in the last three years is a common policy pursued by the Labour Board whenever it is called upon to make a judgement about the future bargaining structure for an essential public service: the need to guard against fragmentation of the employees among more than one bargaining unit, with the latent potential which that would have for competitive bargaining and sequential shutdown of the essential service.’