



The Conciliator

UNIFOR Local594 | Canada

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www.unifor594.com

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Not Everyone is Hurting

On July 20th, 2015, the Globe & Mail published an article that quite accurately outlined the current state of the oil & gas industry. The Co-op Refinery was referenced as a company that would greatly benefit from low oil prices. The article is copy & pasted below in its entirety.

This summer, Canadians have the loonie to blame for the disconnect between gasoline prices and low oil prices.

The North American benchmark price for oil is about 50 per cent lower than it was this time last year, but the median price of gasoline across Canada is down only 11 per cent. Canadian consumers are missing out on the full benefit of low crude prices because the sinking Canadian dollar has been offsetting the price decline of oil and gasoline, commodities priced in U.S. dollars. As the loonie has dropped, the price for such commodities hasn't fallen as much in Canadian-dollar terms.

"The exchange rate relative to the United States creates much higher pump prices," said Michael Ervin, president of the Kent Group Ltd.'s consulting division, which specializes in the refining and marketing industry. The loonie is trading at about 77 cents (U.S), down 17 per cent from about 93 cents this time last year. Meanwhile, the North American benchmark price for crude closed at around \$50 (U.S.) per barrel Monday, compared with \$105 this time last year.

The loonie, however, is not entirely to blame. The price of crude around the globe has been under pressure for about 11 months, and many energy firms are struggling or unable to turn a profit. Oil producers that own refineries and gas stations are able to offset some of this pain by pinching drivers.

"To compensate for [low oil prices], they are hitting the consumer at the street level with gasoline prices," said Roger McKnight, the chief petroleum analyst at En-Pro International Inc.

The median price for gasoline in Canada on Monday afternoon was 118.9 cents per litre, compared to 133.7 cents per litre this time last year, according to GasBuddy.com. (Alberta increased its gasoline tax to 13 cents per litre from 9 cents per litre this spring).

Refineries should be the big winners this summer. Refining margins vary across the continent depending on the quality of feedstock. Refineries processing heavy oil, for example, are generally less profitable than those with access to light crude. Across the board, however, Canadian refineries are posting healthy results.

"Canadian refineries are posting healthy results."

Inside this issue:

Not Hurting	1
SFL Summer Camp	2
Pre-Barg Update	3
Not Hurting cont...	4
Last Laugh	4
Stay Connected	4

• SHOP STEWARDS

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Section III:

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Section IV:

Travis Parker

Section V:

Chad Thompson

Scott Girard

Building Maintenance:

Garth Wendel

MRP:

Rob Jenkins

John Cheeseman

Pipefitters:

Wayne Globisch

Mechanics:

Derek Kups

Stores:

Brenda Curtis

Electrical:

Les Bonkowski

Jason Kelly

Instrumentation:

Jaret McCloy

Inspection:

Keith Britton

Fire & Safety:

Daryl Watch

Administration:

Charlene Rae

Lab:

Mike Fink

Ray Strueby

Pumpers:

Ryan Dzioba

Decokers:

Jon Javorik

Welders:

Jim Milton

Scaffolders:

Nelson Wagman

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Mike Pelzer

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Insulators:

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SFL Summer Camp

I was selected by your membership to go to the Saskatchewan Federation of Labour Summer Camp on August 9-15. This summer camp is in its 27th year and is aimed at kids aged 13-17. This year the camp was held at Cedar Lodge on Blackstrap Lake for the first time, as the previous 26 editions were held near Katepwa. The SFL camp is designed to teach teens the importance of unions, bring awareness to social issues, and foster leadership skills..

The camp counsellors split us up into 6 locals of roughly 11 campers each. After two days of prep, on the third day each local bargained against the counsellors in an attempt to change the rules. Once each local was done, one representative from each local went up to the big table, to finalize any changes that would then be made to the rules. The experience was really eye opening to what unions do and their role and importance in a workplace.

At the camp we talked about the issues currently impacting Canadians. On the first day we had a session about racism and sexism and how they effect the everyday lives of people. We also had a session on gay rights and how they should be treated better in the workplace. Although we had morning 'classes' everyday the counsellors didn't fail to make the camp fun. Each day we had a morning exercise to wake ourselves up for the first class. After class we had lunch, the food was excellent. We went to the beach after lunch. When we got back they gave us time to clean our rooms before supper and cabin check. Stick was next. Stick was like a sharing circle but we passed around a special stick, only the person that had the stick could talk. Then we had free time before bed.

My favorite part of the camp was the beach, there was always something going on. While I was there I played volleyball and football. The camp even brought canoes and kayaks for us to use. We always seemed to have a good time when we were down at the beach. My favorite beach memory was creating a music video to Uptown Funk for the annual talent show.

The returning campers are always very welcoming. Whenever they see someone left out they try to include them, even if they're new and haven't talked to them yet. It's great to see everybody included. It is the only camp that I have been to that has done this. The SFL camp just has a more inclusive atmosphere, no one is ever left out. It has been a great learning experience for me, and I'm sure it would be to for your son/daughter too. I'm thankful for being given this opportunity, and I hope that I am chosen to go again next year.

Thank you members of 594, Curtis.



Pre-Bargaining Update

Now that union executive elections have concluded the Bargaining Committee is set. Accompanying the Negotiating Chairperson to the table will be, as always, the President, and the four Vice-Presidents, representing Maintenance, Process, PDD, and Administration. The Bargaining Surveys are floating around for your input, and can be obtained from any shop steward or executive member. Be sure to fill them out and hand them in before the September 22 deadline. This will also be the deadline for any bargaining proposals from the membership. They can be submitted with the surveys, or separately to any member of the bargaining committee.

In addition, on the heels of the company-sponsored Mercer Pension Information Sessions held in early June, pensions are on the minds of all our members regardless of how close you are to retiring. The Bargaining Committee is no exception.

They recognize that our pension plan has a target on its back in the Company's eyes. This is a major concern for our members as our pension plan is the crown jewel of our negotiated benefit package.

In 2007, changes to the pension plan text and accompanying Letter of Understanding #65 were bargained in good faith with the Company. Those changes required approval of the Superintendent of Pensions for Saskatchewan and the Canada Revenue Agency. While initially approval was received from both groups, recently issues regarding legal compliance in respect to indexing have come to light from the Canada Revenue Agency.

While these are issues that the Company will try to address at the bargaining table, in the interim our members are protected. Our pension plan text, specifically Section 6.09, was approved by the FCL Board of Directors in 2007, allows for the purchase of annuities. The Union Executive has filed a grievance to ensure the Company complies with the pension plan text because they have not been for the last eight years, as we have worked through issues.

Our Collective Agreement provides for the purchase of annuities to be made an option to members who are ready to retire. Although it appears an annuity with indexing paid out of General Revenue as described by LOU #65 may not be possible as we had believed in 2007, an indexed annuity itself is still possible. Recent information now makes it clear that an annuity may not be the best option for our members, but our members need to be given the option and consider the personal financial implications of each option.

The pension plan is an integral part of our Collective Agreement and we must protect it at the bargaining table, and during the life of the agreement.

In Solidarity, Richard Exner, Chief Shop Steward



Not Everyone is Hurting *continued...*

“Rising wholesale gasoline prices outpaced rising crude prices this past quarter, leading to increased refining margins that settled at an eight year high of 27.7 cents per litre in June,” the Kent Group said in a recent report. “Growth in refining margins was particularly pronounced in Eastern refineries, as the increase in their crude input costs was not as substantial as those in western Canada.”

Companies that focus on refining rather than also producing oil and gas will be the largest beneficiaries. These include New Brunswick’s Irving Oil, Quebec’s Valero Energy Inc., and the Federated Co-operatives Ltd.’s refining operation in Saskatchewan, Mr. McKnight, the analyst at En-Pro, said.

Refiners’ crack spread – the difference between the cost of crude they process versus the wholesale price of gasoline or diesel they sell – is up 126 per cent over last year, he said. “The refining side of the business is doing extremely well,” he said.

“The culprit [driving gasoline prices] is really the refining margins or the amount of money the refining side of industry is making on the backs of the consumer.”

The amount of gasoline in storage in the United States can also be a factor in determining what Canadians pay at the pumps. But supplies haven’t changed much over the past year. The U.S. had 218 million barrels of gasoline in storage for the week ended July 10, according to the U.S. Energy Information Administration. There were 214.4 million barrels in storage in the same week last year.

In Solidarity, The Communications Committee

“The refining side of the business is doing extremely well.”

Last Laugh



Staying Connected

Website. www.unifor594.com

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General Meetings. Fourth Tuesday of every month at the Union Hall.

