

MEDIATION UPDATE  
GLOBAL MEMO TO EASTERN BARGAINING UNIT EMPLOYEES  
JANUARY 6, 2009

On Dec 18th, 2008 the Company gave the Union (CEP) a settlement proposal for employees in the Eastern bargaining unit (which includes employees at this station). There has been some confusion and misinformation about the proposal and I am writing you to provide you with the facts. I would be pleased to answer any questions you may have or provide further clarification if necessary.

1. In November 2007, the Canadian Industrial Relations Board (CIRB) determined that the 7 existing bargaining units in Halifax/St. John, Toronto, Hamilton, Winnipeg and Saskatoon were to be merged into a single bargaining unit. Employees in Alberta and BC have been placed in separate bargaining units by the CIRB. The Company accepted the CIRB's decision. CEP, which had filed the original application to change the existing structure, appealed the decision but the CIRB rejected CEP's appeal.

2 For the past year, the Company has been seeking to negotiate an agreement with CEP for the Eastern Unit that would have provided for immediate increases in compensation and severance but CEP has refused to participate in such negotiations. The Company filed a bad faith bargaining complaint with the CIRB over CEP's refusal to bargain but the CIRB has not issued a decision.

3 A few weeks ago, the parties agreed to meet with the assistance of an independent mediator in an attempt to resolve the outstanding issues before the Board. During mediation, the mediator suggested that the Company table a specific "settlement proposal" with CEP. On December 18<sup>th</sup>, the Company tabled the attached time limited settlement proposal for a collective agreement for the Eastern Bargaining Unit to provide an immediate increase in compensation and severance for employees in the Eastern bargaining unit. We requested that the CEP allow the Eastern employees to vote on our settlement proposal.

4 The mediator advised the Company that CEP was not willing to conclude an agreement with the Eastern bargaining unit unless and until agreements were also reached with the BC and Alberta bargaining units. The CEP did

not engage in any discussion regarding our proposal and rejected our request to allow our employees to vote on this settlement proposal.

5 CEP previously committed to negotiate once the reconsideration decision was issued by the CIRB. The Board has determined that there are three bargaining units. In our view, as there are three separate bargaining units, the parties have an obligation to negotiate these three separate units independently. Although the scope of each respective bargaining unit remains outstanding (which classifications should be included in the new unit), the Company's view is that the first priority out to be to address the concerns of existing unionized employees rather than engage in a lengthy and costly process to determine whether new members should be added to the Union.

6. This has been an extremely time consuming and challenging process for all parties over the past eight years, and the Company is looking to conclude a new collective agreement as soon as possible. We are hopeful that we can and look forward to the opportunity to continue to work with the CEP to achieve an early resolution to a collective agreement in the Eastern bargaining unit.

#### OVERVIEW OF SETTLEMENT PROPOSAL

Attached is a copy of the Company's settlement proposal. This proposal was based upon the economic conditions in place at this time---in the Company, in the broadcasting industry and in the Canadian economy. It provided for the following:

(a) A lump sum payment of \$100 per month of service from the date of expiry of the previous agreement in each location to Jan 31st, 2009. Lump sum payments will range up to \$1,000 per person in Hamilton, \$1300 in Saskatoon, \$1950 in Winnipeg, \$2700 in the Maritimes and \$2,800 in Toronto.

(b) A voluntary severance program under which management could agree to allow volunteers to substitute for laid-off staff.

(c) An enhanced severance of 3 weeks per year to a maximum of 78 weeks for each completed year of service. This enhanced severance will apply to employees laid off under the general layoff provisions and would apply to any employee given notice of lay-off after the date of the offer i.e. after Dec 18th, 2008. (This would not be limited to future lay-offs as stated in the GAC communiqué).

(d) Global Ontario unionized employees were offered the same enhanced benefit plan that was implemented for Global Ontario non union, non management staff on April 1, 2008 (Not April 1, 2007 as stated in the GAC communiqué).

(e) Global Winnipeg and Global Saskatoon employees were offered the same enhanced dental benefit plan implemented for Global Ontario staff and a new vision care plan. (This was not mentioned in the GAC communiqué).

(f) Wage increases of 1% effective April 1, 2009 and 1.5% April 1, 2010.

(g) We asked that any grievances respecting issues addressed by the settlement proposal (such as severance, lay-off and benefits) be withdrawn. (We did not ask that all grievances be withdrawn as stated in the GAC communiqué).

(h) If the parties agreed on this offer, we proposed that the Union and the Company would withdraw all outstanding applications before the CIRB.

(i) We offered status quo on all of the existing eastern collective agreement provisions not amended by this settlement proposal.

(j) The Union was given to January 16, 2009 to ratify the agreement or such later date as the parties may agree to. (An extension of the deadline was not mentioned in the GAC communiqué).