

**In the Matter of a Final Offer Selection Arbitration
Under a Joint Proposal Between the Parties**

BETWEEN:

**THE ELECTRICAL TRADE BARGAINING AGENCY
OF THE ELECTRICAL CONTRACTORS ASSOCIATION OF ONTARIO
(THE "ETBA")**

AND

**THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
AND THE IBEW CONSTRUCTION COUNCIL OF ONTARIO
(THE "IBEW")**

BEFORE: Eli A. Gedalof, Sole Arbitrator and Final Offer Selector

APPEARANCES

For the ETBA

David Bannon, Counsel
Jodi Tavers
Graeme Aitken
Patryk Wrobel

For the IBEW

Ron Lebi, Counsel
John O'Grady
Jordan Berger
James Barry
Brian Sacoba

AWARD

INTRODUCTION AND BACKGROUND

1. This is an interest arbitration by final offer selection, to determine the outstanding monetary issues for the renewal of the parties' Principal Agreement that expires April 30, 2025. I was duly appointed as Final Offer Selector under the terms of the November 27, 2024 "Joint Proposal For 2025-2028 Principal Agreement" (the "Joint Proposal"). The parties have a lengthy history of agreeing to final offer selection as an alternative to strike/lockout, dating back to 1992. While they have often reached voluntary settlements, they have previously engaged the final offer selection process four times, in 1995, 1998, 2001 and 2016. Each round has been decided under similar, but not identical Joint Proposals. In this round, the parties join issue over wages, travel and room and board allowances. They are, unfortunately, far apart, most significantly with respect to wages, but also room and board, particularly in the south. The parties' wage proposals differ by an aggregate \$2.15 over the life of the agreement, which is a substantially greater delta than they have previously brought to final offer selection.

2. The parties filed comprehensive briefs with evidence and argument and supplemented those briefs with oral argument on April 7, 2025. The terms of the Joint Proposal provide that the Selector is required to issue a bottom-line decision by April 9, 2025, with written reasons to follow by May 9, 2025. I issued my bottom decision on April 7, 2025, selecting the ETBA's final offer proposal. These are the reasons for that decision.

Applicable Principles

3. Final offer selection is a binary process: the selector must choose one party's offer over the other's, in its entirety and without modification. The final offer selector cannot "split the difference" or choose from amongst the elements of each party's proposal. The theory is that the process naturally drives the parties' positions closer together through the exchange of a series of proposals. Ideally, differences are narrowed to the point that the parties are able to bridge the gap themselves, but if not the parties' final offers are presented to the selector. The risk in failing to moderate an extreme position in a final offer is that the selector becomes more likely to choose that of the other party. While this round stands out as an exception, this process has been

largely successful in bringing the parties together, either to the point of voluntary settlement or by substantially narrowing the difference brought to final offer selection.

4. Historically, the parties Joint Proposals have not stipulated specific criteria to be applied by the selector, but there is no dispute concerning the general principles that ought to apply. As described by Arbitrator Burkett in *The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and the International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario*, unreported, February 23, 1995 (the “Burkett 1995”), the selector’s function is to choose the position that is “more reasonable”. In assessing reasonableness, both parties rely on the usual criteria applied by interest arbitrators, including replication, comparability, economic conditions, demonstrated need, and gradualism (see *Brick and Allied Craft Union and Terrazzo, Tile & Marble Guild of Ontario Inc.*, 2013 CanLII 57029 (ON LA)).

5. Primary among those criteria is the principle of replication. This is to say that in fashioning an award, arbitrators seek to replicate the agreement the parties would most likely have made had they been able to do so themselves. In the case of final offer selection, however, the selector is not so much replicating a freely bargained outcome, as measuring the reasonableness of the final offers against that standard.

6. Closely related to the principle of replication is the principle of comparability, which is to say that in assessing what the parties would most likely have done themselves, arbitrators will look for guidance to how similarly situated parties have settled their agreements. I will say more below about the comparators relied upon by the parties in this case.

7. A key feature in the bargaining between these parties, however, is that they have a history of early settlements and arbitration—supported by the Joint Proposal process—which means that they often, though not always, lead their closest comparators. Where there is an absence of close comparators, economic conditions, especially projected inflation, together with projected growth in the relevant sectors of the construction industry and of the economy generally, provide essential guidance. It is toward these factors that the parties directed the bulk of their submissions in this round. As Arbitrator

Steinberg noted in the most recent prior round of final officer selection between the parties, no one factor is inherently more influential than another, but in a given round it may be one factor that tips the balance (*The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario*, unreported, April 25, 2016 (“Steinberg 2016”). For the reasons discussed below, I find that economic conditions are a key consideration in this round, and the parties’ divergent views of these conditions is likely what explains the atypical gulf between their positions.

The Joint Proposal

8. Before addressing the parties’ proposals there are three elements of the current Joint Proposal that feature in the parties’ arguments and bear further consideration. They are the Post Negotiation Wage Adjustment (“PNWA”), an agreement to implement a catch-up wage increase, and an agreement to negotiate a “normative wage increase”.

The PNWA

9. As in all prior joint proposals, this one features a Post-Negotiation Wage Adjustment mechanism. The PNWA supports early resolution by providing a form of insurance for the Union. There is some nuance to the adjustment mechanism, but in broad terms it guarantees that wage increases will ultimately match the average of the settlement of the two highest comparator trades. The PNWA identifies 7 comparator agreements in the ICI sector (3 UA agreements and one each for Sheet Metal Workers, Boilermakers, Ironworkers and Millwrights). None of these trades had settled as of the time I decided this matter.

10. The parties join issue over the significance of the PNWA. The ETBA argues that where both positions are reasonable, or where it is not possible to definitively determine the parameters of a reasonable position, which may be challenging in these uncertain economic times, the selector should default to the lower offer in the knowledge that if this proves to be out of step with the relevant comparators, the PNWA will provide correction. Since the wage increase can only go up, reasons the ETBA, it is better to err on the side of

caution and there should be a presumption in favour of conservatism. The Union disputes that any such presumption exists and maintains that the selector must choose the more reasonable outcome without resort to a default. The Union has never, it emphasises, agreed to such a default, which is nowhere stated or implied in the Joint Proposal, and the PNWA exists solely for the Union's benefit. It is the terms of the Joint Proposal that must prevail, and not any interpretation of prior final offer awards. Further, in the Union's submission, even if such a presumption may have existed in the past, it has been displaced by the parties' agreement to bargain a "normative" wage increase in this round.

11. The significance of the PNWA to the choice of proposals was first addressed by Arbitrator Burkett in the *Burkett 1995* award arising from the first round of final offer selection between the parties (pp.11-12):

My function, in broad terms, is to select one of the two positions that have been tabled as the more reasonable. There is no definition of reasonableness in the terms of reference nor is there a list of criteria against which I am to assess the two competing positions. Rather, these parties have fashioned a final offer selection process under which each party is free to rely upon whatever criteria is seen as appropriate and the selector is asked to choose the more reasonable position having regard to the submissions of the parties. However, paragraph 5 of the Joint Proposal constitutes a kind of "fail-safe" mechanism under which the parties review the money settlement after all of the other construction trades have settled will be and if unable to agree upon an adjustment "the matter will be referred back to the selector who will adjust the settlement to the average of the two highest settlements of Ontario Construction settlements effective as of the date of the ratification of the highest trade". As I have recorded, the ETBA has made a commitment that this "fail safe" mechanism will only be used to improve the economic package. The effect is to create a "no lose" situation for the union. While it would seek to have me make a selection without regard to either a "fail safe" mechanism or the ETBA's commitment, the union does not challenge this commitment as somehow at variance with the Joint Proposal or otherwise ineffective. In the result I am left to ' make a selection in the knowledge that my award will provide a floor for the union and its members. While this knowledge does not cause me to shrink from making an assessment of the competing positions on their respective merits, I am persuaded that I should error on the side of caution where there is an unresolvable doubt as to the parameters within which a reasonable position must fall or where both positions are within these parameters.

[emphasis added]

12. The parties raised the issue again in the subsequent round of final offer selection before Arbitrator Burkett in *Association of Ontario and the International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario*, unreported, March 10, 1998 ("*Burkett 1998*"). In that case, the Employer argued that in light of the PNWA, the selector should adopt the position that is "most competitive and least inflationary", and that he ought not to choose the higher of two reasonable offers. The Union argued that the PNWA provision was intended to provide insurance, not a cap, and the decision should be based on merit. Addressing these arguments, Arbitrator Burkett revisited his comments from the *Burkett 1995* award as follows (at p. 7):

....As for the review mechanism, I made comment in my 1995 award that in selecting the Employer's position I took comfort in the fact that a review would take place and a correction could be made if I erred on the side of caution. I did not say, nor do I accept, that the review mechanism is somehow intended to influence the merits where there is a significant issue of contention between the parties as there is here. Accordingly, I must find that there is no compelling reason to deny these employees a first year wage increase. In the result I confirm that the Union position is to be preferred.

[emphasis added]

13. In 2001, Arbitrator Burkett again addressed the issue in *International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario*, unreported, March 15, 2001 ("*Burkett 2001*"). After setting out the passages quoted above, he made the following comments:

I continue to hold to the view that where both proposals are within the range of what is reasonable in all the economic circumstances, comfort can be taken from the existence of the review mechanism which, by commitment of the ETBA, may only result in an upward movement of wages. However, the existence of the review mechanism is of no assistance where one of the two positions is clearly more reasonable than the other. Similarly, I hold to the view that whereas comfort may be taken from the local area modification process where both proposals are within the range of what is reasonable, the existence of this process ought not to influence the merits where there is a significant difference between the parties and one position is otherwise more reasonable than the other. Indeed, to some extent the review mechanism, under which wages can only increase, and the local modification process, under which wages can only decrease, are

offsetting processes. Finally, I hold to the view that the granting to the ETBA of the right to name hire is not a relevant consideration in determining which of two economic proposals is the more reasonable.

14. Finally, in *Steinberg 2016*, Arbitrator Steinberg quoted the passage above from *Burkett 1995* and noted that Arbitrator Burkett had applied the same principles in his 1998 and 2001 decisions. Because the parties had not significantly modified the terms of the Joint Proposal, he concluded that they must have accepted the approach articulated by Arbitrator Burkett, and he therefore adopted that approach in the matter before him (para. 9).

15. First, I agree with Arbitrator Steinberg's reasoning. Where there is a consistent established body of jurisprudence between the parties and where they continue to bargain substantially the same terms as those under which that jurisprudence developed, it is reasonable to conclude that they expect that the same arbitral approach will continue to apply. In adopting this approach, I reject the submission that it is in any way inconsistent with the terms of the Joint Proposal. The parties agree that the Joint Proposal, both then and now (and subject to my discussion of the "normative wage increase" issue below), requires that the selector assess the "reasonableness" of the proposals. The existence of the PNWA forms part of the context in which the parties bargain. To the extent that the PNWA informs what is "reasonable" in all the circumstances, it would be highly artificial to pretend that it did not exist.

16. However, I also find that the Employer overstates the significance of the PNWA as articulated by Arbitrator Burkett. Arbitrator Burkett does not espouse, in any of his decisions, a general presumption in favor of a conservative outcome. Indeed, he emphasizes in *Burkett 1998* that the existence of the PNWA has no influence in determining the merits of the parties' arguments. The role of the selector is to choose the more reasonable proposal in all the circumstances. To say that one does not "shrink" from this responsibility is to say that one must carry out this function even when the decision may be a difficult or close call. Put differently, there is considerable daylight between a close or difficult decision, and an "unresolvable doubt". For Arbitrator Burkett to take comfort from the PNWA in circumstances of an unresolvable doubt, or where there is no basis for deciding between proposals on the merits, is in my view entirely reasonable. The very purpose of insurance is to provide that comfort, both for the Union in bargaining, and for the selector in choosing a proposal.

17. In this case, however, I find no need to rely on the existence of the PNWA in reaching my conclusion. As discussed below, there is much unresolvable doubt in this case, but this doubt concerns the future of the economy. That uncertainty does not result in any unresolvable doubt in choosing between the parties' proposals. Rather, as discussed below, the prevailing economic conditions, uncertain though they are, support the selection of the Employer's proposal. It is for that reason, and not based on any presumption, that I have reached my conclusion in this case.

Catch-Up and Normative Increases

18. The second and third features—the inclusion of a \$1.50 “catch up” wage increase on the last day of the prior agreement and the agreement to negotiate a “normative wage increase”—are interrelated. In broad terms, the Union argues that the term “normative”, which does not appear in prior joint proposals, recognizes the significance of broader bargaining trends, and most especially that for these parties, a “normative” increase includes a “real” wage increase above inflation. The Employer argues that read in context, the term “normative” is intended to do no more than reinforce that there is no need for further catch-up increases, and that the parties are bargaining from level ground.

19. The relevant provisions of the Joint Proposal read as follows:

1A. AMENDMENT OT THE 2022-2025 PRINCIPAL AGREEMENT

(a) As a condition of entering into this Joint Proposal, the parties have agreed to implement a "catch up" increase to the Journeyperson Wage Package of \$1.50 per hour in every Local Union jurisdiction effective at 11:59 p.m. on April 30, 2025, i.e. on the last day of the 2022-2025 Principal Agreement. The increase is designed to close the anomalous wage package gap between the 2022-2025 electrical settlement and the 2022-2025 settlements pertaining to the mechanical trades (that resulted from the \$1.00 cap on the PNWA) and to allow the parties to enter the 2025-2028 round of bargaining without seeking to bargain over "catch up".

(b) For the 2025-2028 Principal Agreement, the parties will negotiate a normative wage increase over and above the wage package as amended effective April 30, 2025. The 2025-2028 increase will not, therefore, include an element of "catch up" to compensate for comparative wage

package losses by bargaining unit members in the 2022-2025 round of bargaining.

(c) In the event that the wage package increase in the 2025-2028 Principal Agreement is determined by Final Offer Selection pursuant to the Joint Proposal, the Selector will not consider the increase implemented effective April 30, 2025 for any purpose except to recognize that it was designed to close the anomalous wage package gap between the 2022-2025 electrical settlement and the 2022-2025 settlements pertaining to the mechanical trades (that resulted from the \$1.00 cap on the PNWA) and to allow the parties to enter the 2025-2028 round of bargaining without seeking to bargain over "catch up".

20. The term "normative" is commonly used by interest arbitrators and is tied to the replication and comparability principles. Typically, it is used to describe an outcome that is warranted absent any special circumstances unique to the parties that would justify a substantial departure from relevant bargaining patterns. There can be a range of "normative" outcomes depending on the circumstances of the parties and their bargaining history. What is "normative" in one sector or for one party or subset of parties may be highly anomalous in or for another. I would not, therefore, interpret the parties' use of the term "normative" as altering the established patterns of comparability for these parties; it is that history and those patterns that define what is "normative", not the other way around.

21. Neither would I read "normative", in the context of paragraph 1A, as meaning that because these parties have often bargained "real" wage increases above the rate of inflation that this means they necessarily intended to bargain such an increase here. The reference to a "normative" wage increases in 1A(b) is tied to the parties' agreement that they begin this round of bargaining "caught up" to their comparators. That is clear from the parties' use of the term "therefore", confirming that the absence of a catch-up increase follows from the agreement to bargain a normative increase. Further, the facts are that these parties do not always bargain increases above the rate of inflation. Real wage growth, while clearly a trend for these parties over many rounds of bargaining, is not an isolated and definitive factor in any given round. For these parties, wage increases need not be restricted to projected rates of inflation, but neither is such wage growth guaranteed where other considerations prevail.

THE PROPOSALS

22. The parties make the following proposals with respect to wages, travel allowances and room and board allowances:

23.

IBEW-CCO (UNION)	Year I	Year II	Year III	Total
Wages	\$2.52	\$2.52	\$2.51	\$7.55
Mileage	\$0.03	\$0.02	\$0.01	\$0.06
Zones	\$0.65	\$0.65	\$0.65	\$1.95
R&B South	\$7.00	\$3.75	\$3.75	\$14.50
R&B North	\$0.50	\$0.50	\$0.50	\$1.50
Line	\$3.00	\$3.00	\$3.00	\$9.00
ETBA (EMPLOYER)	Year I	Year II	Year III	Total
Wages	\$1.75	\$1.80	\$1.85	\$5.40
Mileage	\$0.01	\$0.02	\$0.02	\$0.05
Zones	\$0.50	\$0.50	\$0.50	\$1.50
R&B South	\$2.00	\$2.00	\$2.00	\$6.00
R&B North	\$0.40	\$0.40	\$0.40	\$1.20
Line	\$3.00	\$3.00	\$3.00	\$9.00

24. As these parties usually do, wage increases are proposed as a flat dollar amount, rather than as a percentage. For comparison purposes, both in looking at other settlements and in considering economic factors, it is necessary to translate these proposals into a percentage. Expressed as a percentage, these increases will vary from one local to another. The Union therefore prefers to express percentage increases as a form of weighted average, giving 50% weight to the more densely populated GTA, which accounts for a larger share of the hours worked. Because wages are higher in the GTA, this will produce a lower percentage than the simple average of all locals. I will provide both numbers, but in this case the difference is not significant in light of the far more substantial difference between the parties proposals on either measure.

25. The Union proposes average annual wage increases of 3.17% (unweighted) or 3.15% (weighted) for a total increase of 9.82% or 9.76%

respectively.¹ The Employer proposes average annual increases of 2.3% (unweighted) or 2.25% (weighted), for a total of 7.03% or 6.98%. In the context of a final offer selection, there is a very large gap between the parties. They are 2.79% (2.78% weighted) apart. In three of the four prior rounds of final offer selection, the parties narrowed their differences to significantly less than a percent. In 2001, also a period of economic uncertainty, they were 1.6% apart, still significantly less than they are apart now.

ECONOMIC CONDITIONS

26. The parties' economic arguments are extensive and set out in detail in their briefs. I will not, therefore, reproduce them in detail here. Each party identifies limitations in the data relied upon by the other. Many of these limitations are inherent in the data itself and have never precluded its use in providing helpful guidance, such as the failure to clearly distinguish between sectors, union and non-union work, broader trends or the outsized impact of mega-projects within a larger data set. These limitations are reasons to treat the data carefully, but they are not reasons to disregard it. The greater challenge in this round is assessing how to weigh the predictive value of the data in light of the volatile economic environment, the potential impact of a global trade war, and the potential impact of changing government policy, particularly with respect to immigration and temporary workers.

27. In broad terms, the Union relies on its own administrative data, data from the Ontario Construction Secretariat and the BuildForce Canada Forecasts to argue that hours increased by 7.1% under the prior agreement, annual building permit values have increased by 16.4% from 2023-2024, and that the *real* growth in the ICI sector, i.e. growth above inflation, is projected to average 6.6% (with much of that growth forecasted in the Institutional Sector). The Union acknowledges that the current economic conflict with the United States, characterized by erratic policy changes and threats of punishing tariffs, will likely cause spending in the ICI sector to be curtailed in 2025. But it maintains that the trade war will eventually end, investment plans will be implemented, and it disputes the Employer's contention that IBEW contractors will not benefit from these projects. Transit development, for example, will be electrically powered and stations have always entailed a lot of electrical work.

¹ Totals here include compounding, although the parties at times refer to simple totals.

Further, in the Union's submission, there is no real risk of population decline, or of the banishment of temporary foreign workers, because these outcomes are simply not in the government's interest. In the Union's submission, it is reasonable to expect real growth in the industry, supporting the real wage increase it has proposed, and one ought not to base a final selection on conjecture surrounding economic uncertainty.

28. In assessing inflation, both parties look to projections from the Bank of Canada and the chartered banks. In the Union's submission, the most telling forecast is the Bank of Canada's year over year Q4/Q4 inflation projections, which, as of January 2025, were 2.4% for 2025 and 2.1% for 2026. In the absence of any Bank of Canada projection for 2027, the Union adopts the TD Bank projection of 2.2%, for a total of 6.7%. However, in the Union's submission, these projections do not adequately account for the emerging and significant risk of inflation arising from the imposition of tariffs. In the Union's submission, it is reasonable and conservative to add an additional 2% risk factor to the base case for inflation, for a total of 8.7%. The Union's proposal, it submits, accounts for projected inflation, reasonable risk, and reasonable real wage growth. The Employer's proposal, it submits, fails to account for this risk or to provide any real wage growth, and ought therefore to be rejected.

29. The Employer acknowledges that the economic outlook for the construction industry is cautiously optimistic but emphasises that growth is highly uncertain and that the projections relied upon by the Union fail to fully reflect the emerging threat posed by tariffs and economic instability, which the Employer describes as "chaos". A significant portion of growth is expected to arise from the residential sector, largely outside the scope of this collective agreement, and through institutional construction that will disproportionately favour civil contractors. It emphasizes that the industrial sector will experience minimal growth and cites competitive challenges for IBEW contractors in the commercial sector that ought not to be exacerbated by unduly increasing wage rates.

30. Addressing inflation, the Employer notes that the parties' economists are in substantial agreement. Projections are, at their highest, 6.6% over the three-year period. The Employer relies on the average of all the banks, to get to 5.9%. In either case, it argues, its own proposal of either 7.03% or 6.98%,

depending on methodology, exceeds projected inflation and indeed provides for some anticipated real wage growth.

31. The Employer strenuously rejects the addition of a 2% risk factor to economic projections. There is, it asserts, simply no factual grounding for the Union's conjecture, which fails to properly reflect both the "gas" and "brake" effects of tariffs, and the real risk of a recession. In contrast, it emphasizes that its own proposal is *not* predicated on a recession and does not seek to include a discount for that risk. Instead, its proposal is based on the best real-world economic data available at this time and is therefore the most reasonable approach. The Union, it argues, knowing that it is guaranteed a wage increases above projected inflation, is here "swinging for the fences". Such an approach, it argues, ought not to be encouraged in final offer selection.

32. Having carefully reviewed the economic data, I am satisfied that it supports the Employer's proposal. First, I agree with the Employer that there is no solid evidentiary foundation for adding a 2% risk factor to the base case for inflation. To be clear, the risk that inflation might exceed current projections is real. But the Union's approach is highly speculative and amounts to an effort to place the bulk of that risk on the Employer. In my view, it is unlikely that the parties would arrive at this one-sided outcome in free collective bargaining. In circumstances where there is also a risk of the industry underperforming, particularly in the short term, and even a risk of recession, a more balanced and reasonable approach, one consistent with the principle of replication, would hue more closely to the established economic indicators. In all the circumstances, the Union's wage proposal, which exceeds projected inflation by at least 3%, cannot be justified on economic grounds. I find that the Employer's proposal, which slightly exceeds projected inflation, reflects a more reasonable balancing of the economic risk, and is an outcome more in keeping with the principle of replication.

COMPARATOR SETTLEMENTS

33. As noted above, at the time of deciding this matter, none of the comparator trades under the PNWA had settled, and there have been limited settlements in the construction industry for the relevant period. The Union relies on the recent employer proposal and settlements for a five-year EPSCA

collective agreement (I note that the IBEW had not settled their EPSCA agreement at the time of my decision). The EPSCA pattern averages 4.2% per year. The Union acknowledges that there is an element of catch-up in the EPSCA pattern but maintains that even if one excludes the first two years and only considers the last three years of the EPSCA pattern/proposal (4%/3%/3%), it still produces a comparator that is very close to the Union's proposal and considerably higher than the Employer's. It also relies on the IBEW Ottawa's tentative residential settlement of \$8.00 over three years, which it maintains aligns with its proposal here of \$7.55. In the Union's submission, the Employer's proposal lags well behind these settlements. Finally, it relies on what it describes as broader settlement trends with major employers in Ontario outside the construction industry and argues that the Employer's proposal is far below those trends. In the Union's submission, those trends, excluding catch-up, are in the range of 3.0% to 3.5% per year.

34. The Employer counters that once inflationary catch-up is accounted for in the tentative EPSCA pattern, it amounts to 13% over five years, or an average of 2.6% per year, closer to its own proposal than the Union's. Further, it argues that one cannot simply incorporate the final two years of that agreement into the analysis, where there the employer is paying for a five-year agreement that extends well beyond the agreement in issue here. It also argues that EPSCA work is less vulnerable to current economic conditions than ICI work, and is not a strong comparator in any event; there is no pattern of principal bargaining following EPSCA bargaining. Similarly, it argues that the Ottawa residential settlement reflects strong local market conditions and *quid pro quo* provisions that assist contractors with competitiveness. Finally, it maintains that the broader settlements relied upon by the Union also include catch up, do not relate to the years in issue here, and are not relevant comparators in any event.

35. I have carefully reviewed the materials underlying the parties' submissions. For the purposes of the selection before me, it must be recognized that the comparator data is relatively thin. I do not have anything before me that warrants the kind of weight that Arbitrator Steinberg attributed to the ICI settlements before him, especially the UA settlement, which he found was the single most important fact informing his decision (*Steinberg 2016* at para. 84).

36. However, even allowing that broader non-construction bargaining trends are relevant and warrant at least some weight, I do not find that the data provides meaningful assistance to the Union in this case. Much of the data it relies on is backward looking and includes inflationary catch-up amounts or Bill 124 catch-up or reopener amounts.² These outcomes, which cannot be reliably interpreted without regard to how they fit into each party's bargaining history, do little to assist in seeking to replicate an outcome for electricians under the Principal Agreement, where catch-up has already been addressed, and that projects forward to 2027.

37. The EPSCA settlements also do not, in my view, support the Union's proposal. The EPSCA tentative settlements are for five years (May 1, 2025-April 30, 2030), and include the following annual increases: 2025-5.5%, 2026-5.5%, 2027-4%, 2028-3% and 2029-3%. There can be no dispute that the earlier years include a substantial component of catch up. The Union would account for this by looking only at the last 3 years. First, in my view it is far from clear that the third-year increase of 4% does not also include an element of catch-up. More fundamentally, though, I find that the final two years of the EPSCA pattern provide negligible guidance where here the parties are bargaining a 3-year collective agreement and will have the opportunity to address those years in the next round of bargaining. If one considers only the first three years of the EPSCA settlements, accounting for inflationary catch-up, the outcome more closely matches the Employer's proposal. Neither do I see anything in the bargaining history of these parties to suggest that the residential settlement in Ottawa, while a relevant construction industry comparator, ought to sway the analysis in this matter.

38. On balance, I find that the relevant comparator data is limited in both volume and weight, and does not warrant a departure from the economic analysis above, which favours the ETBA's proposal.

² The *Protecting a Sustainable Public Sector for Future Generations Act, 2019* restricted wage increases to 1% of total compensation for a period of three years across a wide swath of the public and broader public sector, artificially deflating what would otherwise constitute normative wage increases while it was in effect. The Act was struck down as unconstitutional, resulting in widespread corrections to account for the twin impact of deflated wage increases and historically high rates of inflation.

ALLOWANCES

39. To this point I have said little about the parties' travel and room and board allowance proposals. And while they are of less economic consequence than the general wage increases, they nonetheless form part of total compensation and must be accounted for in assessing the parties' proposals. The parties' mileage proposals differ by a penny, and do not sway the analysis one way or the other. Their Room and Board proposals, however, especially for the South, are much further apart (\$14.50 for the Union versus \$6.00 for the Employer). The Union submits that the rates in the South are grossly out of whack, have been for a long time, and that it is time to bring them incrementally more in line with the Line rates. The Employer counters that there are special circumstances related to Line work, including recruitment issues, which justify the higher rates and the agreed-to increases.

40. I do not diminish the importance of these issues. But in my view, it is unnecessary for me to decide between them in this round. Quite simply, the difference between the parties' wage proposals is sufficiently large, and the factors in favour of the Employer's proposal are sufficiently strong, that from a total compensation perspective the allowance proposals cannot alter the result, even if one accepted that the Union's proposal was the more reasonable. I therefore leave it to the parties to revisit allowances in the next round without placing an arbitral thumb on the scale.

CONCLUSION

41. For all these reasons, I have awarded the Employer's final offer proposal. I remain seized with respect to the implementation of this award.

Dated at Toronto, Ontario, this 22nd day of April 2025.

"Eli Gedalof"

Eli A. Gedalof
Sole Arbitrator and Final Offer Selector