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In Re the Arbitration Between:

**Case No. 140890-I-24**

Washington State Ferries,

Employer,

and

**INTEREST ARBITRATION**

Marine Engineer's Beneficial

**OPINION AND AWARD**

Association, Licensed Engineers

(MEBA), Licensed Engineers

Bargaining Unit and Unlicensed

Engineers Bargaining Unit,

Union.

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- On August 15, 2024, the Marine Engineers Beneficial Association (MEBA) and Washington State Ferries (WSF) submitted impasse issues to be certified to interest arbitration under **RCW 47.64.300**.
- The parties waived mediation under **RCW 47.64.170**.
- The interest arbitration is limited to the issues the Executive Director certified based on **RCW 47.64.300**.
- Under **RCW 47.64.170** the parties selected James A. Lundberg as their neutral arbitrator.
- A hearing was conducted using Zoom software on August 23, 2024, August 28, 2024, August 29, 2024, and August 30, 2024.

**APPEARANCES:**

**FOR THE EMPLOYER**

Amee J. Tilger and Josh Sneva

Assistant Attorney Generals

Labor and Personnel Division

P.O. Box 40145

Olympia, Washington 98504-0145

[Amee.tilger@atg.wa.gov](mailto:Amee.tilger@atg.wa.gov)

**FOR THE UNION**

Jack Holland

Scholnick, Thorne, Holland

1000 2<sup>nd</sup> Avenue

Suite 3570

Seattle, Washington 98104

[jack@laborwest.com](mailto:jack@laborwest.com)

By letter dated August 20, 2024, Michael P. Sellars, Executive Director of the Public Employment Relations Commission certified the following issues between Washington State Ferries (WSF) and Marine Engineers Beneficial Association (MEBA) Licensed Engineers Bargaining Unit to interest arbitration pursuant to **RCW 47.64.245** and **WAC 391-55-200:**

**Issues submitted by the Employer and certified by the Executive Director:**

- Section 2- Representation & Filling of Vacancies
  - 2.1
- Section 6- Wages & Overtime
- Section 8- Penalty Pay
- Section 12- Mileage, Travel Time

**Issues submitted by the Licensed Engineers Bargaining Unit and certified by the Executive Director:**

Section 2.1 – Representation & Filling of Vacancies

- Section 6- Wages and Overtime
- Section 8- Penalty Pay
- Section 12- Mileage, Travel Time

- Section 29 (c) – Education
- Appendix B –
  - 3.04
  - 3.06

By letter dated August 20, 2024, Michael P. Sellars, Executive Director of the Public Employment Relations Commission, certified the following issues between Washington State Ferries (WSF) and Marine Engineers Beneficial Association (MEBA) Unlicensed Engineers Bargaining Unit to interest arbitration pursuant to **RCW 47.64.245** and **WAC 391-55-200**:

**Issues submitted by the Employer and certified by the Executive Director:**

- Rule 10 – Vacation Relief Oilers
- Rule 10A- Travel & Mileage Pay
- Rule 19- Classification & Rate of Pay
  - Preamble
  - 19.01
  - 19.02
- Appendix B
  - 5.04
  - 5.05

**Issues submitted by the Unlicensed Engineers Bargaining Unit and certified by the Executive Director:**

- Rule 10 – Vacation Relief Oilers
- Rule 10A – Travel & Mileage Pay
- Rule 19- Classification and Rates of Pay
- Rule 30 – Penalty Pay
- Rule 31.02 - Education

- App. B – Rule 5 – Vessel Personnel Assigned to Laid-up Vessels in Shipyards, or Eagle Harbor
  - 5.04
  - 5.05

Contract negotiations between Washington State Ferries (WSF) and the Marine Engineer’s Beneficial Association (MEBA) for the Licensed Engineers Bargaining Unit and Unlicensed Engineers Bargaining Unit were conducted in a consolidated format. The same arbitrator heard the Interest Arbitrations between the Employer and the two bargaining units in a consolidated format. The two interest arbitrations are docketed under **Case Number 140890-I-24**.

In making the determination in this Interest Arbitration **Case Number 140890-I-24**, the arbitrator was mindful of the legislative purpose under **RCW 47.64.005** and **47.64.006**. As additional standards or guidelines to aid in reaching a decision, the arbitrator also took into consideration the following factors found at **RCW 47.64.320 (3)**:

- (a) The financial ability of the department to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;
- (b) Past collective bargaining contracts between the parties including the bargaining that led up to the contracts;
- (c) The constitutional and statutory authority of the employer;
- (d) Stipulations of the parties;
- (e) The results of the salary survey as required in **RCW 47.64.170(8)**;
- (f) Comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia

doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

- (g) Changes in any of the foregoing circumstances during the pendency of the proceedings;
- (h) The limitations on ferry toll increases and operating subsidies as may be imposed by the legislature;
- (i) The ability of the state to retain ferry employees;
- (j) The overall compensation presently received by the ferry employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance benefits, and all other direct or indirect monetary benefits received; and
- (k) Other factors that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.

Throughout this opinion, the letters WSF shall be used to refer to the Employer, Washington State Ferries, and MEBA to refer to the Marine Engineers Beneficial Association.

The arbitrator's discussion of each issue addresses the parties' primary arguments and the evidence on which the decision was based.

***PART ONE --- OF PERB CASE NO. 140890-I-24.***

**Issues between Washington State Ferries and MEBA Licensed Engineers**

**ISSUE #1 – SECTION 2 – Representation and Filling of Vacancies §2.1-(c)**

**MEBA's position:**

When an Engineer Officer calls for relief of duty within four (4) hours of a watch commencing, provisions within **Section 2.1** shall not be strictly adhered to. When these

provisions are not followed, the Union will be notified within five (5) business days. In all other circumstances, when **Section 2.1** is not adhered to, Engineer Officers shall be entitled to Bypass pay the following pay period. Bypass pay shall be equal to all compensation an Engineer Officer would have been entitled to if they had been properly awarded the job.

Engineer Officers and the Union shall be provided a daily crew list by the Employer. The daily crew list shall include the names of the employees who worked each watch on that day.

**Washington State Ferries position:**

(c) For any vacancy – commencing within two (2) hours of the close of dispatch or between the hours of 2230 and 0600, provisions within **Section 2.1** shall not be required so long as the Engineer Officer is qualified. When these provisions are not followed, the Employer will notify the Union within five (5) business days.

Engineer Officers shall be provided access to a daily crew list by the Employer. The daily crew list shall include names of employees who worked each watch on that day.

**Discussion:**

There are times when a staff vacancy may result in a vessel being unable to depart on its scheduled run. Both parties argue that vacancies should be treated differently than under the current contract but disagree over how the current practice should be changed.

The Employer argues that its' proposal is designed to improve the reliability of ferries when delays occur when a substitute Engineer cannot promptly be recruited, or an available Engineer resides so far from the dock that it is impossible for the Engineer to arrive at the departure dock in time to meet the scheduled departure.

The Union's position addresses a similar circumstance but provides for a four-hour time frame and does not address between the hours of 2230 and 0600, when dispatchers who are familiar with the callout lists are not on duty. The Union's proposal also adds a cost to the Employer for "Bypass pay," which would result in some Engineers being compensated for work that is not performed and the Employer being required to pay twice for the same time.

The Employer's explanation of how the new provision will improve the reliability of the Ferry service and, therefore, better serve the public is well-taken. Additionally, what the additional cost of the "Bypass" provision will be is not clearly established. In this situation, a change calculated to improve public service is appropriate.

**Award:**

**The Employer's proposal is hereby adopted. SECTION 2 – Representation and Filling of Vacancies §2.1-(c) shall say:**

(c) For any vacancy – commencing within two (2) hours of the close of dispatch or between the hours of 2230 and 0600, provisions within **Section 2.1** shall not be required so long as the Engineer Officer is qualified. When these provisions are not followed, the Employer will notify the Union within five (5) business days.

Engineer Officers shall be provided access to a daily crew list by the Employer. The daily crew list shall include names of employees who worked each watch on that day.

**ISSUE #2 – SECTION 6 –Wages & Overtime – Watch Turnover Key Boxes and Key Exchange**

**MEBA’s position:**

Effective July 1, 2025, Licensed Engineer Officers shall not be paid less than anyone equal to them in the chain of command.

- Staff Chief – Staff Master
- Chief – Master
- Assistant – Chief Mate

**Washington State Ferries position:**

Effective July 1, 2025, the wage rates for each classification covered by this Agreement shall include a three percent (3%) increase. Effective July 1, 2026, the wage rates for each classification covered by this agreement shall include an additional two percent (2%) increase.

**Discussion:**

Based on the external comparisons submitted, it is clear that base wages paid to the Licensed Engineer Officers are lower than wages paid to many engineers working throughout the statutorily established comparison areas.

The Union argues that wages lag behind those paid by other employers, and the bargaining unit should receive a substantial wage increase that will allow their wages to “catch up” with those of the comparison group. Also, the Union identifies internal comparisons between Staff Chief and Staff Master, Chief and Master, and Assistant and Chief Mate that have similar job duties. They note that wages for Licensed Engineer Officers lag behind the comparable Deck Officer positions and should be increased to the same levels as the comparable positions. By



increasing the wages paid to Licensed Engineers to the same level as comparable Deck Officers wages of Licensed Engineers will be more competitive with all comparison groups.

The Employer argues that the Union's comparisons are flawed and do not fairly reflect the differences between Deck Officers and Licensed Engineers. Also, the external comparisons are difficult to make. Engineers working for Washington State Ferries are generally able to return home from work each night, which is not the case with many in the comparison group. There are also different licensing requirements for Engineers working for employers in the comparison group who generally work on international routes and do not generally work on inland waters.

The cost of the Union's wage proposal is roughly 8.8 million dollars, and the cost of the Employer's wage proposal is roughly 2.15 million dollars. Revenue projections indicate the level of wage increase proposed by the Union cannot be met through current funding sources.

Engineers' wages are generally lower than those paid to Engineers working in the private or public sectors. While retention and recruitment do not appear to be significant problems at this time, competitive wages are always an important factor in recruiting a highly qualified workforce and retaining capable employees.

The States' proposal of a 3% wage increase in fiscal 2025 and a 2% wage increase in fiscal 2026 will result in base wages for Engineer Officers falling farther behind the wages of Deck Officers for the Washington State Ferries, who will receive a four percent (4%) wage increase in fiscal 2025 and a four percent (4%) wage increase in fiscal 2026. While revenue projections do not suggest that Ferry fees will support the kind of increase proposed by the Union, other bargaining units have settled wages with the Washington State Ferries at a higher rate of increase than proposed by the State.

The fact that other Unions settled their wage dispute with Washington State Ferries at four percent (4%) in both fiscal 2025 and fiscal 2026 creates a compelling argument.

Presumably, the wage settlement was made with confidence that the Employer would have sufficient revenues to pay the agreed-upon wage settlement. Engineers will be working side by side with Deck Officers and should not be asked to work for a lesser percentage wage increase than those employees with whom they will be working side by side.

**Award:**

**SECTION 6 –Wages & Overtime – Watch Turnover Key Boxes and Key Exchange shall include the following wage increase:**

Effective July 1, 2025, the wage rates for each classification covered by this Agreement shall include a four percent (4%) increase. Effective July 1, 2026, the wage rates for each classification covered by this agreement shall include an additional four percent (4%) increase.

**ISSUE #3 – Section 8- Penalty Pay**

**MEBA’s position:**

The Union proposes the existing contract language as follows:

- (a) Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight-time or overtime) is being paid when penalty work is performed.
- (b) Engineer Officers standing a regular watch and performing the following heavy repair work shall receive a minimum of four (4) hours of pay at the penalty rate while performing such work:

- (1) Pulling pistons
- (2) Pulling liners
- (3) Rolling out main bearings
- (4) Pulling heads

The above provisions (1 through 4) shall not apply to vessels in lay-up status.

(c) Engineer Officers performing the following work shall receive a minimum of one (1) hour pay at the penalty rate while performing such work:

- (1) Work performed below the deck plates.
- (2) When ordered into water or fuel tanks, air bottles, or inside boilers or voids. Tanks and voids shall receive a gas-free certificate, if required, prior to the commencement of the work. Protective clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.
- (3) Work performed on the drainage side of sanitary systems when coming into physical contact with sewage.
- (4) Working in the exhaust uptakes or when maintaining or repairing equipment impregnated with asbestos.
- (5) Working with hazardous or dangerous labeled compounds. Engineer Officers shall not be discriminated against for refusing to work with said hazardous or dangerous labeled compounds. For purposes of this Section, hazardous or dangerous labeled containers shall mean ones having an HMIS Health Hazard Rating of three (3) or four (4) or equivalent.
- (6) Manually transferring drums or containers labeled as or containing hazardous or dangerous contents on or off the vessel(s), and at any location for those vessels

having no Oilers or Wipers permanently assigned (one-half [1/2] hour minimum). For purposes of this Section, hazardous or dangerous labeled containers shall mean ones having an HMIS Health Hazard Rating of three (3) or four (4) or equivalent.

**Washington State Ferries position:**

The Employer proposes the following adjustments to **Section 8**.

- (a) Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight-time or overtime) is being paid when penalty work is performed.
- (b) Engineer Officers standing a regular watch and performing the following heavy repair work shall receive a minimum of two (2) hours of pay at the penalty rate while performing such work:
  - (1) Pulling pistons
  - (2) Pulling liners
  - (3) Rolling out main bearings
  - (4) Pulling heads

The above provisions (1 through 4) shall not apply to vessels in lay-up status.

- (c) Engineer Officers performing the following work shall receive a minimum of one (1) hour pay at the penalty rate while performing such work:
  - (1) When ordered into water or fuel tanks, air bottles, or inside boilers. Tanks shall receive a gas-free certificate, if required, prior to the commencement of the work. Protective

clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.

(2) Work performed on the drainage side of sanitary systems when coming into physical contact with sewage.

(3) Working with hazardous labeled compounds. Engineer Officer shall not be discriminated against for refusing to work with said hazardous labeled compounds. For purposes of this **Section**, hazardous labeled containers shall mean ones having an HMIS Health Hazard Rating of three (3) or four (4) or equivalent.

**Discussion:**

The Employer proposes several changes to the Penalty pay provision of the contract. Some language currently in the contract is obsolete. For example, they contend that the term “dangerous” is meaningless in the context of materials handled by WSF employees. The term “hazardous” is sufficient in the context of WSF activities. Additionally, some materials, like asbestos, are typically handled by subcontractors. Management does not want WSF Employees to handle asbestos.

In other instances, there appears to be abuse of the Penalty pay provision. For example, “performing work below deck” appears to have an elastic meaning. There are significant differences in how the term is interpreted between different vessels. Some vessels have very reasonable claims for work below deck, and claims from some vessels are simply too great. The Employer also argues that some of the work identified is “a part of the job” and should not result in any premium pay.

Abuses of the Penalty pay provision described by the Employer are managerial issues. Supervisors should assign and approve work that results in Penalty pay consistently from one vessel to another.

The Penalty pay provision has been a part of the contract for many years. Where the parties have identified hazardous or particularly challenging or unappealing tasks for which an employee should receive some amount of premium pay, negotiated the level of compensation to be earned for the agreed upon work, and maintained the provision in the collective bargaining agreement for an extended period, changes in the provision should be made through negotiation.

**Award:**

The current language for **Section 8- Penalty pay** shall remain in the collective bargaining agreement. **Section 8 – Penalty pay** shall say:

- (a) Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight-time or overtime) is being paid when penalty work is performed.
- (b) Engineer Officers standing a regular watch and performing the following heavy repair work shall receive a minimum of four (4) hours of pay at the penalty rate while performing such work:
  - (1) Pulling pistons
  - (2) Pulling liners
  - (3) Rolling out main bearings
  - (4) Pulling heads

The above provisions (1 through 4) shall not apply to vessels in lay-up status.

(c) Engineer Officers performing the following work shall receive a minimum of one (1) hour pay at the penalty rate while performing such work:

- (1) Work performed below the deck plates.
- (2) When ordered into water or fuel tanks, air bottles, or inside boilers or voids. Tanks and voids shall receive a gas-free certificate, if required, prior to the commencement of the work. Protective clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.
- (3) Work performed on the drainage side of sanitary systems when coming into physical contact with sewage.
- (4) Working in the exhaust uptakes or when maintaining or repairing equipment impregnated with asbestos.
- (5) Working with hazardous or dangerous labeled compounds. Engineer Officers shall not be discriminated against for refusing to work with said hazardous or dangerous labeled compounds. For purposes of this Section, hazardous or dangerous labeled containers shall mean ones having an HMIS Health Hazard Rating of three (3) or four (4) or equivalent.
- (6) Manually transferring drums or containers labeled as or containing hazardous or dangerous contents on or off the vessels(s), and at any location for those vessels having no Oilers or Wipers permanently assigned (one-half [1/2] hour minimum). For purposes of this Section, hazardous or dangerous labeled containers shall mean ones having an HMIS Health Hazard Rating of three (3) or four (4) or equivalent.

**Award:**

**The parties have entered into a settlement over this issue.**

**ISSUE #5 – Section 29 (c) – Education**

**MEBA’s position:**

The Union proposes a change to the Employer’s contribution to the MEBA Training Plan from three \$3.00 per day per person to “the equivalent of 1% of Engine Room Employee’s base wage.” The proposal is as follows:

(c) It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1, 2025, the Employer will agree to pay to the MEBA Training Plan the equivalent of 1% of Engine Room Employee’s base wage. In addition, the Employer will contribute to the MEBA Training Plan at least seventy-three thousand dollars (\$73,000.00) per fiscal year for the purpose of “seats” in the Calhoun School, which will be usable by any bargaining unit member, including but not limited to non-members of and non- applicants to MEBA. Such training shall be subject to the provisions of this Section excepting tuition costs.

**Washington State Ferries position:**

The Employer proposes no change in the current contract language, which says:

(c) It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1, 2025, the Employer will agree to pay to the MEBA Training Plan three dollars (\$3) per day per person. In addition, the Employer will contribute to the MEBA Training Plan at least seventy-three



thousand dollars (\$73,000.00) per fiscal year for the purpose of “seats” in the Calhoun School, which will be usable by any bargaining unit member, including but not limited to non-members of and non- applicants to MEBA. Such training shall be subject to the provisions of this Section excepting tuition costs.

**Discussion:**

Both parties recognize the value of funding a seat at the Calhoun school. It is vitally important for the WSF to maintain an exceptionally well-educated workforce and for the Engineers responsible for the operation and safety of WSF vessels to receive the best possible education in their field.

The Union’s proposal is an attempt to continue approximately the same level of contribution to the MEBA Training Plan at the level agreed to in the most recent collective bargaining agreement and incorporate an inflation hedge. Under recent economic circumstances, the inflation hedge may or may not accomplish what the Union intends. The COVID-19 pandemic resulted in massive economic upheaval, including high inflation, but the U.S. government took economic measures to address inflation, and inflationary pressures within the country have cooled. The analysis performed using the one percent (1%) contribution proposed by the Union will not yield the same result if applied to the wage increase awarded herein.

There is no evidence that the current three-dollar (\$3) per person contribution will not be sufficient to meet the upcoming fees for a seat at the Calhoun School. Without a clear need to increase the contribution level, the current contract language should be maintained.

**Award:**

The current language of **Section 29 (c) – Education** shall remain in the collective bargaining agreement as follows:

(c) It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1, 2025, the Employer will agree to pay to the MEBA Training Plan three dollars (\$3) per day per person. In addition, the Employer will contribute to the MEBA Training Plan at least seventy-three thousand dollars (\$73,000.00) per fiscal year for the purpose of “seats” in the Calhoun School, which will be usable by any bargaining unit member, including but not limited to non-members of and non-applicants to MEBA. Such training shall be subject to the provisions of this Section excepting tuition costs.

***PART TWO --- OF PERB CASE NO. 140890-I-24.***

**Issues between Washington State Ferries and MEBA Unlicensed Engineers Bargaining unit**

ISSUE #1—**Rule 10 – Vacation Relief Oilers**

**Award:**

**The parties have entered into a settlement over this issue.**

ISSUE # 2 --**Rule 10 A – Travel & Mileage Pay**

**Award:**

**The parties have entered into a settlement over this issue.**

ISSUE #3 --**Rule 19 – Classification & Rates of Pay – Preamble,19.01, 19.02**

**MEBA's position:**

MEBA makes the following wage change proposal:

The wage tables below reflect the wage rates for the term of this Agreement. All of the wage rates below include (a) overtime (OT) at one and one-half (1 ½) time the straight time (ST) rate. The wage rate for each Unlicensed engine room employee shall not be less than the rate of their WSF internal counterpart. Oiler internal counterpart shall be Quartermaster. Wiper internal counterpart shall be Ordinary Seaman.

Effective July 1, 2025, all Unlicensed engine room employees who hold an Oiler rating will receive an additional two dollars (\$2) per hour market adjustment.

**Washington State Ferries position:**

WSF makes the following wage change proposal:

The wage tables below reflect the wage rates for the term of this Agreement. All of the wage rates below include (a) overtime (OT) at one and one-half (1 ½) times the straight time (ST) rate. Effective July 1, 2025, the wage rates for each classification covered by this agreement shall include a three percent (3%) increase.

Effective July 1, 2026 the wage rates for each classification covered by this agreement shall include a two percent (2%) increase.

On July 1, 2025, the Wiper, Oiler, and Relief Oiler positions will be moved to the following ranges:

- Wiper: H08A
- Oiler: H15

- Relief Oiler: H15A

Yard positions will be abolished, and the shoreside maintenance pay rate is incorporated into the base wages.

**Discussion:**

Based on the external comparisons submitted, it is clear that base wages paid to the Unlicensed bargaining unit are lower than wages paid to counterparts within the comparison groups. The Employer acknowledges that the Unlicensed unit is underpaid.

The Union argues that wages of Unlicensed bargaining unit employees lag behind those paid by other employers, and the bargaining unit should receive a substantial wage increase that will allow their wages to “catch up” with those of the comparison group. Also, the Union identifies internal comparisons between Unlicensed bargaining unit workers and deck positions that have similar job duties. They note that wages for the Unlicensed bargaining unit lag behind comparable deck positions and should be increased to the same levels as the comparable deck positions. By increasing the wages paid to Unlicensed bargaining unit members to the same level as comparable deck positions, the wage standing of Unlicensed bargaining unit members will be more competitive with all comparison groups.

The Employer argues that the Union’s external comparisons are difficult to make. Unlicensed employees working for the WSF can generally return home from work each night which is not the case with many within the comparison group.

Revenue projections indicate that WSF will not be able to sustain the wage increase proposed by the Union with current funding sources.

Unlicensed bargaining unit wages are generally lower than those paid to similar positions working in the private or public sectors. While retention and recruitment do not appear to be significant problems currently, competitive wages are always important in recruiting a highly qualified workforce and retaining capable employees.

The State's proposal of a 3% wage increase in fiscal 2025 and a 2% wage increase in fiscal 2026 will result in base wages for Unlicensed staff falling farther behind the wages of all other employees on a WSF vessel, who will receive a four percent (4%) wage increase in fiscal 2025 and a four percent (4%) wage increase in fiscal 2026. Presumably, WSF settled the wage issue with other bargaining units at a level that is sustainable.

The fact that other bargaining units settled their wage dispute with WSF at four percent (4%) in both fiscal 2025 and fiscal 2026 creates a compelling argument. Presumably, the wage settlement was made with confidence that the Employer would have sufficient revenues to pay the agreed-upon wage settlement. Oilers, Wipers and Relief Oilers will be working side by side with deck employees and should not be asked to work for a lesser percentage wage increase than those employees.

This arbitrator awarded the same wage increase to the Licensed Engineers as the wage increase obtained in a settlement between WSF and other bargaining units working on the same vessels. While MEBA proposes a different resolution, the Union argues that there should be internal wage consistency, particularly within a workforce where employees are working side by side on the same vessel.

The Oiler, Wipers, and Relief Oilers are admittedly underpaid. The arbitrator interprets the testimony by the Assistant Director to mean "significantly underpaid." The WSF offer

attempts to “catch-up” the wages for Oilers, Wipers, and Relief Oilers. However, the “catch-up” alone does not allow the Unlicensed bargaining unit to keep pace with internal wage increases in the current contract if the Employer’s proposal of a three (3%) and a two percent (2%) wage increase in fiscal year 2025 and fiscal year 2026 is ordered.

To arrive at an internally consistent wage increase that acknowledges that Oilers, Wipers, and Relief Oilers are significantly underpaid, the Employer’s “catch up” proposal should be coupled with a general wage increase of four percent (4%) in fiscal year 2025 and a general wage increase of four percent (4%) in fiscal year 2026.

**Award:**

The award for **Rule 19 – Classification & Rates of Pay – Preamble, 19.01, 19.02** shall be as follows:

The wage tables below reflect the wage rates for the term of this Agreement. All of the wage rates below include (a) overtime (OT) at one and one-half (1 ½) times the straight time (ST) rate. Effective July 1, 2025, the wage rates for each classification covered by this agreement shall include a four percent (4%) increase.

Effective July 1, 2026 the wage rates for each classification covered by this agreement shall include a four percent (4%) increase.

On July 1, 2025, the Wiper, Oiler, and Relief Oiler positions will be moved to the following ranges:

- Wiper: H08A
- Oiler: H15

- Relief Oiler: H15A

Yard positions will be abolished, and the shoreside maintenance pay rate is incorporated into the base wages.

#### ISSUE #4 **Appendix B – 3.04 and 3.06**

##### **AWARD:**

**The parties settled their dispute over 3.04.**

##### **MEBA position Appendix B -- 3.06:**

The MEBA proposes adding the following provision to the end of **Section 3.06:**

After one month an engine room employee assigned to a permanently transferred vessel will be considered to be in a permanent assignment, unless application was made. If such application is on file and no openings are available, the engine room employee shall be considered to be on temporary assignment. This temporary assignment will not preclude application for an assignment to other open positions.

##### **Washington State Ferries position Appendix B – 3.06:**

The Employer proposes no change in the current contract language which follows;

Normal practice will be to keep trained employees on the same vessels as much as possible. When vessel route assignments are changed on a permanent basis, an employee shall have the right after thirty (30) days to be reassigned to another vessel operating the route of their previous relieving terminal without regard to strict seniority provisions. They will be assigned to the first open position in their past relieving terminal after written application to the Employer.

Application may not be withdrawn, except by mutual agreement by the Employer and the employee.

**Discussion:**

To add new language to an existing contract provision requires a very strong showing of the need to change, which was not submitted in conjunction with this proposal. There may be a need to add new language but the change in this case should be made through negotiations.

The existing contract language should be awarded on this issue.

**Award:**

The arbitrator awards the current language of **Appendix B 3.06** as follows:

Normal practice will be to keep trained employees on the same vessels as much as possible. When vessel route assignments are changed on a permanent basis, an employee shall have the right after thirty (30) days to be reassigned to another vessel operating the route of their previous relieving terminal without regard to strict seniority provisions. They will be assigned to the first open position in their past relieving terminal after written application to the Employer. Application may not be withdrawn, except by mutual agreement by the Employer and the employee.

**ISSUE # 5 -- Rule 30 -- Penalty pay**

**MEBA's position:**

MEBA proposes no change to the current Penalty pay language as follows:

30.01 Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight time or overtime) is being paid when penalty work is performed.



Except for the items specified below, penalty time shall be paid for time actually worked with the minimum payment of one-half (1/2) hour and in one-half (1/2) hour increments.

30.02 Opening, entering, and working in sewage holding tanks. Two (2) hour minimum.

30.03 Cleaning up any leakage or spillage of sewage from tanks, piping or pumps, or if employee comes in physical contact with sewage while exercising due care in the performance of their duties. Two (2) hour minimum.

30.04 Manually transferring drums, and/or containers labeled as or containing hazardous or dangerous contents on or off the vessel at any location. One-half (1/2) hour minimum. For the purposes of this paragraph, containers labeled hazardous or dangerous shall mean ones with a HMIS Health Hazard Rating of three (3) or four (4) or equivalent.

30.05 When required to clean up excrement and/or vomit.

30.06 Work performed in steering gear spaces, except that required for normal in-service inspection, or emergency operation of the vessel. This will not apply to vessels in lay-up status. One-half (1/2) hour minimum.

30.07 Oil changes to steering gear units. This will not apply to vessels in lay-up status. One-half (1/2) hour minimum.

30.08 Opening, entering, and working in sewage holding tanks. However, employees shall not be discriminated against for refusing to enter or work in sewage holding tanks. Two (2) hour minimum. Tanks shall receive a gas-free certificate prior to the commencement of work and protective clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.

30.09 Engine room employees performing interior hull maintenance shall receive a two (2) hour minimum.

30.10 Engine room personnel performing work that requires the entire body to be below the engine room deck plates, including tank tops. One (1) hour minimum.

30.11 Entering and working in voids, tanks, fuel tanks, air bottles, boilers, engine manifolds, cylinders and heat exchangers. One-half (1/2) hour minimum. Tanks and voids shall receive a gas-free certificate, if required, prior to the commencement of work, and protective clothing, safety devices, etc. necessary to do the work at hand shall be furnished by the Employer.

30.12 Cleaning air boxes, soot pots, the inside of the drive motors, including re-brushing. One (1) hour minimum.

30.13 Engine room personnel pulling pistons, engine heads, liners, and rolling out main bearings. For these tasks, a minimum of one-half (1/2) hour shall be paid. This will not apply to vessels in lay-up status.

30.14 Maintaining, repairing and cleaning machinery which incorporates the use of asbestos or is impregnated with asbestos. However, the employee shall not be discriminated against for refusing to work on this machinery. Two (2) hours minimum.

30.15 Cleaning, servicing and repairing dumbwaiters or elevators including the shaft and pit. Two (2) hours minimum.

30.16 Manually cleaning and/or washing down engine top deck, intake manifolds and the base of the engine. This Rule pertains to major overhaul, such as power pack changes, turbo-charger

changes, etc. but does not include accessory drive equipment or normal routine preventive maintenance. One-half (1/2) hour minimum.

30.17 Changing air supply filters or working in filter voids. Changing oil and cleaning main engine air intake filters. Changing air filters and cleaning filter boxes. One-half (1/2) hour minimum.

30.18 Cleaning and /or painting of the main engine room tank tops or bilge pockets. Bilge pockets will include the area directly below the auxiliary and vital oil pans. Two (2) hours minimum.

30.19 Re-setting fire dampers outside of the machinery spaces on the Jumbo Class Ferries and the Super Class Ferry M.V. EL WHA. Two (2) hours minimum.

30.20 Preparing for and painting in uptakes or shaft alleys. One-half (1/2) hour minimum.

30.21 Working with hazardous or dangerous labeled compounds. Employees shall not be discriminated against for refusing to work with said labeled compounds. For purposes of this paragraph, hazardous or dangerous labeled compounds shall mean ones with a HMIS Health Hazard Ratings of three (3) or four (4) or equivalent.

30.22 Opening main engine base doors and performing routine preventive maintenance below deck plates. One-half (1/2) hour minimum.

30.23 Changing lube oil filters on main engine(s) when wiping out lube oil filter canisters. One-half (1/2) hour minimum.

30.24 1. A vessel Unlicensed engine room employee is to be present for observation anytime a Rescue Boat is operated. This includes but is not limited to training, testing, emergencies and drills.

2. If at any time the Unlicensed engine room employee observes that the operation and or maintenance assigned to and performed by the deck crews is being done incorrectly, or inconsistent with Fast Manual Operations, SMS policies and procedures or OEM procedures, the Unlicensed engine room employee shall perform the maintenance.

3. If an Unlicensed engine room employee performs the assigned deck crew maintenance on the Rescue Boat(s), the Unlicensed engine room employee will be entitled up to a maximum of one-half (1/2) hour of penalty time using reason code RB—(Rescue Boat).

**Washington State Ferries position:**

The WSF proposes the following changes to Penalty pay:

30.01 Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight time or overtime) is being paid when penalty work is performed.

Except for the items specified below, penalty time shall be paid for time actually worked with the minimum payment of one-half (1/2) hour and in one-half (1/2) hour increments.

30.08 Entering, and working in sewage holding tanks. However, employees shall not be discriminated against for refusing to enter or work in sewage holding tanks. One (1) hour minimum. Tanks shall receive a gas-free certificate prior to the commencement of work and protective\_clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.

30.11 Entering and working in tanks, air bottles, and boilers. One-half (1/2) hour minimum.

Tanks shall receive a gas-free certificate, if required, prior to the commencement of work, and protective clothing, safety devices, etc. necessary to do the work at hand shall be furnished by the Employer.

30.12 Entering and working inside of the drive motors, including re-brushing; does not apply to routine maintenance. One (1) hour minimum.

30.13 Engine room personnel pulling pistons, engine heads, liners, and rolling out main bearings. For these tasks, a minimum of one-half (1/2) hour shall be paid. This will not apply to vessels in lay-up status.

30.16 Manually cleaning and/or washing down engine top deck, intake manifolds and the base of the engine. This Rule pertains to major overhaul, such as power pack changes, turbo-charger changes, etc., but does not include accessory drive equipment or normal routine preventive maintenance. One-half (1/2) hour minimum.

30.18 Surface preparation or painting of the main engine room tank tops or bilge pockets. Bilge pockets will include the area directly below the auxiliary and vital oil pans. Two (2) hours minimum.

30.19 Re-setting fire dampers outside of the machinery spaces on the Jumbo Class Ferries. Two (2) hours minimum.

30.20 Surface preparation or painting in uptakes or shaft alleys. One-half (1/2) hour minimum.

30.21 Scraping, spreading, mixing, coating with or wiping up hazardous labeled compounds. Employees shall not be discriminated against for refusing to work with said labeled compounds.

For purposes of this paragraph, HMIS Health Hazard Ratings of three (3) or four (4) or equivalent.

**Discussion:**

The Employer proposes a significant number of changes to the Penalty pay provision of the contract. Some language currently in the contract is obsolete. For example, they contend that the term “dangerous” is meaningless in the context of materials handled by WSF employees. The term “hazardous” is sufficient in the context of WSF activities. Additionally, some materials like asbestos are typically handled by subcontractors. Management does not want WSF Employees to handle asbestos.

In other instances, there appears to be abuse of the Penalty pay provision. For example, “performing work below deck” appears to have an elastic meaning. There are significant differences in how the term is interpreted between different vessels. Some vessels have very reasonable claims for work below deck, and claims from some vessels are simply too great. The Employer also argues that some of the work identified is “part of the job” and should not result in any premium pay. While the cost of Penalty pay for the Unlicensed engineer unit is significantly higher than for Licensed Engineers, the Employer did not demonstrate greater abuse of Penalty pay by this bargaining unit.

Abuses of the Penalty pay system described by the Employer are managerial issues. Supervisors should assign and approve work that results in Penalty pay consistently from one vessel to another.

The Penalty pay provision has been a part of the contract for many years. Where the parties have identified hazardous or particularly challenging or unappealing tasks for which an

employee should receive some amount of premium pay, negotiated the level of compensation to be earned for the agreed upon work, and maintained the provision in the collective bargaining agreement for an extended period, changes in the provision should be made through negotiation.

**Award:**

The current **Rule 30 -- Penalty pay** provision is awarded as follows:

30.01 Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight time or overtime) is being paid when penalty work is performed.

Except for the items specified below, penalty time shall be paid for time actually worked with the minimum payment of one-half (1/2) hour and in one-half (1/2) hour increments.

30.02 Opening, entering, and working in sewage holding tanks. Two (2) hour minimum.

30.03 Cleaning up any leakage or spillage of sewage from tanks, piping or pumps, or if employee comes in physical contact with sewage while exercising due care in the performance of their duties. Two (2) hour minimum.

30.04 Manually transferring drums, and/or containers labeled as or containing hazardous or dangerous contents on or off the vessel at any location. One-half (1/2) hour minimum. For the purposes of this paragraph, containers labeled hazardous or dangerous shall mean ones with a HMIS Health Hazard Rating of three (3) or four (4) or equivalent.

30.05 When required to clean up excrement and/or vomit.

30.06 Work performed in steering gear spaces, except that required for normal in-service inspection, or emergency operation of the vessel. This will not apply to vessels in lay-up status. One-half (1/2) hour minimum.

30.07 Oil changes to steering gear units. This will not apply to vessels in lay-up status. One-half (1/2) hour minimum.

30.08 Opening, entering, and working in sewage holding tanks. However, employees shall not be discriminated against for refusing to enter or work in sewage holding tanks. Two (2) hour minimum. Tanks shall receive a gas-free certificate prior to the commencement of work and protective clothing, safety devices, etc. necessary to the work at hand shall be furnished by the Employer.

30.09 Engine room employees performing interior hull maintenance shall receive a two (2) hour minimum.

30.10 Engine room personnel performing work that requires the entire body to be below the engine room deck plates including tank tops. One (1) hour minimum.

30.11 Entering and working in voids, tanks, fuel tanks, air bottles, boilers, engine manifolds, cylinders and heat exchangers. One-half (1/2) hour minimum. Tanks and voids shall receive a gas-free certificate, if required, prior to the commencement of work, and protective clothing, safety devices, etc. necessary to do the work at hand shall be furnished by the Employer.

30.12 Cleaning air boxes, soot pots, the inside of the drive motors, including re-brushing. One (1) hour minimum.

30.13 Engine room personnel pulling pistons, engine heads, liners, and rolling out main bearings. For these tasks, a minimum of one-half (1/2) hour shall be pad. This will not apply to vessels in lay-up status.



30.14 Maintaining, repairing and cleaning machinery which incorporates the use of asbestos or is impregnated with asbestos. However, the employee shall not be discriminated against for refusing to work on this machinery. Two (2) hours minimum.

30.15 Cleaning, servicing and repairing dumbwaiters or elevators including the shaft and pit. Two (2) hours minimum.

30.16 Manually cleaning and/or washing down engine top deck, intake manifolds and the base of the engine. This Rule pertains to major overhaul, such as power pack changes, turbo-charger changes, etc. but does not include accessory drive equipment or normal routine preventive maintenance. One-half (1/2) hour minimum.

30.17 Changing air supply filters or working in filter voids. Changing oil and cleaning main engine air intake filters. Changing air filters and cleaning filter boxes. One-half (1/2) hour minimum.

30.18 Cleaning and /or painting of the main engine room tank tops or bilge pockets. Bilge pockets will include the area directly below the auxiliary and vital oil pans. Two (2) hours minimum.

30.19 Re-setting fire dampers outside of the machinery spaces on the Jumbo Class Ferries and the Super Class Ferry M.V. EL WHA. Two (2) hours minimum.

30.20 Preparing for and painting in uptakes or shaft alleys. One-half (1/2) hour minimum.

30.21 Working with hazardous or dangerous labeled compounds. Employees shall not be discriminated against for refusing to work with said labeled compounds. For purposes of this

paragraph, hazardous or dangerous labeled compounds shall mean ones with a HMIS Health Hazard Ratings of three (3) or four (4) or equivalent.

30.22 Opening main engine base doors and performing routine preventive maintenance below deck plates. One-half (1/2) hour minimum.

30.23 Changing lube oil filters on main engine(s) when wiping out lube oil filter canisters. One-half (1/2) hour minimum.

30.24 1. A vessel Unlicensed engine room employee is to be present for observation anytime a Rescue Boat is operated. This includes but is not limited to training, testing, emergencies and drills.

2. If at any time the Unlicensed engine room employee observes that the operation and or maintenance assigned to and performed by the deck crews is being done incorrectly, or inconsistent with Fast Manual Operations, SMS policies and procedures or OEM procedures, the Unlicensed engine room employee shall perform the maintenance.

3. If an Unlicensed engine room employee performs the assigned deck crew maintenance on the Rescue Boat(s), the Unlicensed engine room employee will be entitled up to a maximum of one-half (1/2) hour of penalty time using reason code RB—(Rescue Boat).

#### ISSUE # 6 -- **Rule 31.02 – Education**

##### **MEBA's position:**

MEBA proposes the following changes to **Rule 31.02:**

It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1 of each year, the Employer

will agree to pay to the MEBA Training Plan ten [percent (10%) of an Unlicensed engine room employee's hourly wage per day per Unlicensed engine room employee. In addition, the Employer will expend at least seventy-three thousand dollars (\$73,000) per fiscal year inclusive of all costs, at the Calhoun School, which will be usable by any bargaining unit member including but not limited to non-members of and non-applicants to MEBA. Any funds not expended by the end of each fiscal year will be transferred to the MEBA Training Plan. Such training shall be subject to the provisions of this Section except tuition costs.

**Washington State Ferries position:**

Washington State Ferries proposes no change to the current contract language, which is:

It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1 of 2025, the Employer will agree to pay three dollars (\$3.00) per day per Unlicensed engine room employee. In addition, the Employer will expend at least seventy-three thousand dollars (\$73,000) per fiscal year inclusive of all costs, at the Calhoun School, which will be usable by any bargaining unit member including but not limited to non-members of and non-applicants to MEBA. Such training shall be subject to the provisions of this Section except tuition costs.

**Discussion:**

Both parties recognize the value of funding a seat at the Calhoun school. It is vitally important for the WSF to maintain an exceptionally well-educated workforce and for the Engineers responsible for the operation and safety of WSF vessels to receive the best possible education in their field.

The Union's proposal attempts to continue approximately the same contribution level to the MEBA Training Plan at the level agreed to in the most recent collective bargaining agreement and incorporate an inflation hedge. Under recent economic circumstances, the inflation hedge may or may not accomplish what the Union intends. The COVID-19 pandemic resulted in massive economic upheaval, including high inflation, but the U.S. government took economic measures to address inflation, and inflationary pressures within the country have cooled.

The cost of the Union proposal of (10%) of an Unlicensed engine room employee's hourly wage per day per Unlicensed engine room employee will not yield the same result if applied to the wage increase awarded herein. Also, the base upon which the ten percent (10%) is nonspecific and could lead to unnecessary disputes.

There is no evidence that the current three-dollar (\$3) per person contribution will fail to meet the upcoming fees for a seat at the Calhoun School. In the absence of a clear need to increase the level of contribution, the current contract language should be maintained.

**Award:**

For **Rule 31.02 – Education**, the arbitrator awards the current contract language as follows:

It is agreed that the Employer will participate in the educational program of the Marine Engineers Beneficial Association. For this purpose, effective July 1 of 2025, the Employer will agree to pay three dollars (\$3.00) per day per Unlicensed engine room employee. In addition, the Employer will expend at least seventy-three thousand dollars (\$73,000) per fiscal year inclusive of all costs, at the Calhoun School, which will be usable by any bargaining unit member

including but not limited to non-members of and non-applicants to MEBA. Such training shall be subject to the provisions of this Section except tuition costs.

**ISSUE #7 Appendix B Rule 5 – Vessel Personnel Assigned to Laid-up Vessels in Shipyards or Eagle Harbor, 5.04, 5.05**

Discussion:

MEBA and WSF propose that both Sections delete language and the proposals are identical. However, the State’s proposal is conditioned on acceptance of the **Rule 19** proposal, which proposes a three percent (3%) wage increase in fiscal 2025 and a two percent (2%) wage increase in 2 fiscal 2026 and “*On July 1, 2025, the Wiper, Oiler, and Relief Oiler positions will be moved to the following ranges:*

- *Wiper: H08A*
- *Oiler: H15*
- *Relief Oiler: H15A*

*Yard positions will be abolished, and the shoreside maintenance rate of pay is incorporated into the base wages.”*

While the across-the-board wage increase awarded is higher than the State’s offer, the reasoning and purpose behind the abolishment of shoreside rates and incorporation of those rates into base wages is consistent with this award at **§5.04 and §5.05 of Appendix B.**

**Award:**

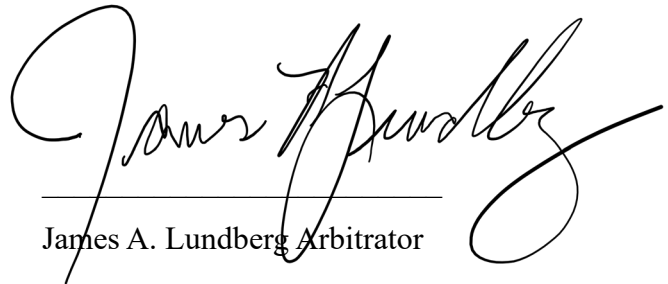
**Appendix B, §5.04** shall say:

**5.04** Shoreside maintenance pay rate will not apply to engine employees standing security watches in a shipyard.

**Appendix B, §5.05** shall say:

5.05 All work performed in shipyards or at the Employer's tie-up terminal shall be paid for at the rates set forth in this Agreement for shoreside maintenance work.

Dated: September 21, 2024.



James A. Lundberg Arbitrator