



The Mexico City policy in action

A guide to implementation for affiliates negotiating
collective agreements for crews on national flagged ships



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Foreword

The Mexico City policy was among recommendations from a four-year review of the FOC (flags of convenience) campaign, and was agreed during the ITF congress in 2010.

One of the changes was a new policy on national flags, establishing a new set of minimum standards for non-domiciled seafarers employed on national flag ships.

The purpose of this policy is to improve the lives of seafarers and protect their rights through solid trade union representation. But they are just the theory. To make these gains a reality for seafarers they must be robustly and effectively put into practice by you, the unions on the ground.

The ITF is committed to helping you do that. This booklet, formulated in conjunction with the FPC (fair practices committee) steering group, contains guidelines giving practical advice, examples, tips and ideas from ITF maritime unions.

We hope you find it useful as we work towards our common goal: improving seafarers' lives, protecting seafarers' rights.

A handwritten signature in black ink, appearing to read 'Stephen Cotton', with a stylized flourish at the end.

Stephen Cotton

Acting general secretary

Guidance for affiliates for implementation of the ITF national flag policy

Aims and principles

The ITF supports the efforts of national unions to encourage quality national shipping, the retention of maritime skills and the employment of national seafarers.

The aim of the ITF *national flag policy* is to set minimum standards for the wages and conditions of non-domiciled seafarers serving on national flagged vessels.

The standards represent the minimum acceptable, so wherever higher standards exist, affiliates should seek to maintain or improve on those standards.

Negotiating union agreements on national flag ships

The ITF supports flag state unions in their efforts to secure national pay rates for all seafarers employed on national flag vessels through collective bargaining.

In their efforts to secure union agreements affiliates may wish to consider what role the ITF inspectorate could play in creating leverage.

Minimum standards for national seafarers

The ITF believes that the wages and conditions of national seafarers employed on national flag vessels are a matter for negotiation by the ITF-affiliated flag state union(s), subject to the minimum international standards set by the ILO (International Labour Organization) as interpreted by the ITF.

Minimum standards for non-domiciled seafarers

Wages for non-domiciled seafarers employed on national flag vessels should at least meet the minimum set by the ITF seafarers' section.

For the period 2012-2014 the minimum level for non-domiciled officers on national flag ships represents the equivalent of ITF total crew cost (TCC) rates. For the same period, minimum wages for non-domiciled ratings on national flag ships is equivalent to ILO total wages plus USD50 for an AB (able-bodied seafarer), pro rata across the ranks.

Working hours

Although the model wage scale for non-domiciled seafarers on national flag is based on a 48-hour working week, unions should maintain more favourable working hours where they exist, for example 40 or 44 hours per week.

Funding elements

The ITF policy on national flag does not interfere with funding elements within national agreements. Therefore, cash wages for non-domiciled seafarers on national flag should not be lower than the levels set out in the ITF approved wage scale (see addendum, page 6), irrespective of any funding elements there might be within the national collective bargaining agreement (CBA).

Affiliates are not expected to have identical wage scales, and some agreements may include funding elements due to national legislation or traditions. However, the ITF would not expect to see funding as a component of the wages in any national CBA.

Cargo handling clause

When renewing or negotiating new agreements for national flag ships, flag state unions should seek to incorporate a cargo handling clause into the CBA, as stated in the national flag policy. The following model text should be used, if at all possible.

- i. Neither ship's crews nor anyone else on board whether in permanent or temporary employment by the company shall carry out cargo handling and other work traditionally or historically done by dock workers without the prior agreement of the ITF dockers' union or ITF unions concerned and provided that the individual seafarers volunteer to carry out such duties, for which they should be adequately compensated. For the purpose of this clause 'cargo handling' may include but is not limited to: loading, unloading, stowing, unstowing, pouring, trimming, classifying, sizing, stacking, unstacking as well as composing and decomposing unit loads; and also services in relation with cargo or goods, such as tallying, weighing, measuring, cubing, checking, receiving, guarding, delivering, sampling and sealing, lashing and unlashng.
- ii. Where a vessel is in a port where an official trade dispute involving an ITF-affiliated dock workers' union is taking place, neither ship's crew nor anyone else on board whether in permanent or temporary employment by

the company shall undertake cargo handling and other work, traditionally and historically done by members of that union which would affect the resolution of such a dispute. The company will not take any punitive measures against any seafarer who respects such dock workers' trade dispute and any such lawful act by the seafarer shall not be treated as any breach of the seafarer's contract of employment, provided that this act is lawful within the country it is taken.

- iii. For crewmembers, compensation for such work performed during the normal working week, as specified in [insert reference to the relevant clause of the CBA], shall be by the payment of the overtime rate specified in [insert reference to the relevant wage scale] for each hour or part hour that such work is performed, in addition to the basic pay. Any such work performed outside the normal working week will be compensated at double the overtime rate.

In Norway, the first bilateral agreements were established due to the introduction of the Norwegian International Ship register (NIS) in 1987. In the NIS Act, the Norwegian maritime unions have negotiation rights along with the labour supplying unions.

Bilateral agreements are entered into when the members of the Norwegian Shipowners Association (NSA) hires from a certain labour supplying country. A union is, or unions are selected, based on which union organises the seafarers or after recommendation from ITF. In other circumstances a bilateral agreement is established to define responsibilities.

The Norwegian maritime unions and the Norwegian Shipowners Association have a joint administration fee of USD38 per month per seafarer, which is divided proportionally between the four parties. The amount is paid by the companies that utilise the agreement. It covers negotiation/revision/enforcement costs. The fee is negotiated between the parties. The labour supplying union has a union due or fee that is regulated by their by-laws and is usually deducted from wages.

No affiliate is compelled to enter into any arrangement that is impractical and/or inappropriate.

Implementation phase

During the initial implementation phase, there may be situations where a two- or three-year agreement is already in force that is not in line with the ITF approved minimum levels. In this case affiliates would not necessarily be expected to withdraw from a CBA that has already been concluded, but should keep in mind the gap and open negotiations at the earliest opportunity.

Case handling

It is the role of the flag state union to handle any claims arising under national flag agreements. When handling cases referred to the union by the ITF secretariat, an ITF inspector or another third party, the union should endeavour to keep the parties informed about the progress and outcome of the case.

In the interests of achieving positive outcomes to claims on national flag vessels, the flag state union should consider using an ITF inspector to assist with handling the claim, particularly where there is an ITF inspector near the ship and there is no possibility of getting a union official on board.

Monitoring and compliance

The ITF will be proactive in monitoring affiliates' compliance with this policy. Data will be gathered in consultations with flag state unions and provided to the FPC steering group on a regular basis so that compliance can be effectively monitored and issues can be dealt with.

The secretariat will hold information on CBA coverage on national flag vessels. Unions should ensure that the secretariat is kept informed about CBAs negotiated for non-domiciled seafarers on national flag vessels, supply copies of the CBA and wage scale wherever possible. Affiliates should ideally nominate a union official to be responsible for collecting and reporting information to the ITF, and ensure that the name and contact information of this person is provided to the secretariat.

Addendum: ITF model wage scale for non-domiciled seafarers serving on national flag vessels

Effective 1 January 2013

Rank	Differentials	Basic %	Daily wage	Leave pay	Leave for public holidays	Fixed/guaranteed overtime	Overtime rate	Total cash
		102.50		2.5	8	104		
Master		2761	92.04	230	133	1726		4850
Ch. off.		1783	59.42	149	86	1114		3131
2nd off.		1428	47.61	119	69	893		2508
3rd off.		1376	45.86	115	66	860		2417
RO		1428	47.61	119	69	893		2508
Ch. eng.		2510	83.67	209	121	1569		4409
1st eng.		1783	59.42	149	86	1114		3131
2nd eng.		1428	47.61	119	69	893		2508
3rd eng.		1376	45.86	115	66	860		2417
Elect. eng.		1428	47.61	119	69	893		2508
Total officers								30388

Rank	Differentials	Basic %	Daily wage	Leave pay	Leave for public holidays	Fixed/guaranteed overtime	Overtime rate	Total cash
Bosun	1.1174	667	22.24	56	32	417	4.01	1172
AB	1	597	19.90	50	29	373	3.59	1049
AB	1	597	19.90	50	29	373	3.59	1049
AB	1	597	19.90	50	29	373	3.59	1049
OS	0.7431	444	14.79	37	21	277	2.67	779
Fitter/repairer	1.1174	667	22.24	56	32	417	4.01	1172
Oiler/greaser	1	597	19.90	50	29	373	3.59	1049
Oiler/greaser	1	597	19.90	50	29	373	3.59	1049
Oiler/greaser	1	597	19.90	50	29	373	3.59	1049
Wiper	0.7431	444	14.79	37	21	277	2.67	779
Chief cook	1.7413	1040	34.65	87	50	650	6.25	1826
Steward	0.8514	508	16.94	42	24	318	3.05	893
Steward	0.8514	508	16.94	42	24	318	3.05	893
Total ratings								13808

ITF model wage scale for non-domiciled seafarers serving on national flag vessels

Effective 31 December 2013

Rank	Differentials	Basic %	Daily wage	Leave pay	Leave for public holidays	Fixed/guaranteed overtime	Overtime rate	Total cash
		103		2.5	8	104		
Master		2844	94.80	237	137	1778		4995
Ch. off.		1836	61.20	153	88	1148		3225
2nd off.		1471	49.03	123	71	919		2584
3rd off.		1417	47.24	118	68	886		2489
RO		1471	49.03	123	71	919		2584
Ch. eng.		2586	86.19	215	124	1616		4541
1st eng.		1836	61.20	153	88	1148		3225
2nd eng.		1471	49.03	123	71	919		2584
3rd eng.		1417	47.24	118	68	886		2489
Elect. eng.		1471	49.03	123	71	919		2584
Total officers								31299

Rank	Differentials	Basic %	Daily wage	Leave pay	Leave for public holidays	Fixed/guaranteed overtime	Overtime rate	Total cash
Bosun	1.1174	686	22.87	57	33	429	4.12	1205
AB	1	614	20.47	51	30	384	3.69	1078
AB	1	614	20.47	51	30	384	3.69	1078
AB	1	614	20.47	51	30	384	3.69	1078
OS	0.7431	456	15.21	38	22	285	2.74	801
Fitter/repairer	1.1174	686	22.87	57	33	429	4.12	1205
Oiler/greaser	1	614	20.47	51	30	384	3.69	1078
Oiler/greaser	1	614	20.47	51	30	384	3.69	1078
Oiler/greaser	1	614	20.47	51	30	384	3.69	1078
Wiper	0.7431	456	15.21	38	22	285	2.74	801
Chief cook	1.7413	1069	35.64	89	51	668	6.43	1878
Steward	0.8514	523	17.43	44	25	327	3.14	918
Steward	0.8514	523	17.43	44	25	327	3.14	918
Total ratings								14194



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