

July 26, 2018

Honourable John Horgan
Premier of British Columbia
West Annex Parliament Buildings
Victoria, BC
V8V 1X4

Re: Open Letter on Union-Only Monopoly Hiring Deals for Public Construction Projects

Dear Premier Horgan and Cabinet:

On July 16, your government announced sweeping changes to government procurement policy by bringing back restrictive and regressive 1990s-style project labour agreements. We are writing to express our deep concern over this departure from the fair, open and transparent process that has successfully built our province over much of its history.

In partnership with government, the Building Trades Unions have established the *Allied Infrastructure and Related Construction Council of BC* that will enter into contracts on behalf of workers. Gone is the right of workers to choose whether or not to join a union and which union to join.

Under your new model, within 30 days of employment on the job site, any non-union worker or a worker from another affiliation is forced to join a government approved union for work specific to the project.

Your government's new policy gives the Building Trades Unions a monopoly on government-funded construction projects, beginning with the \$1.4 billion Pattullo Bridge replacement project followed by other major taxpayer-funded infrastructure projects.

BC's construction industry is diverse, with 85 percent of the nearly 250,000 men and women working in construction choosing to not be affiliated with the BC Building Trades Unions. Wages, training opportunities and diversity in the workforce are the same across the board and are not dependent on whether or not workers are represented by the Building Trades, a progressive union or are non-union.

This Building Trades-only hiring policy puts an end to fair, open and transparent procurement. No matter how a construction company organizes its workforce, every company should have the right to bid and win government work.

Your government's new model also involves creating a new Crown corporation, *BC Infrastructure Benefits Inc.* Another layer of bureaucratic red tape is not how we build a better province.

We were disappointed that nowhere in the documents explaining the new policy was there a reference to best value for taxpayers being one of the criteria that government will use to select contractors to design and build infrastructure. According to a study commissioned by the Vancouver Board of Trade, labour costs under the 1990s model increased by almost 40 percent.

With government projects planned over the next three years expected to cost \$25.6 billion, your CBA framework could add an additional \$2.4 billion to \$4.8 billion in additional labour costs according to

recent estimates by the Canadian Federation of Independent Business. This translates into \$1,998 to \$3,996 for a family of four. And for the Pattullo Bridge project alone, the CBA approach could result in an additional \$130 million to \$259 million in extra costs, or an extra \$113 to \$216 for a BC family of four.

This may be an old-fashioned idea, but we strongly believe that one of government's primary obligations is to ensure fairness in procurement and that taxpayers are getting the best value for every dollar spent.

The undersigned business associations and non-affiliated unions respectfully request that you abandon this ill-conceived and ill-advised procurement model where workers, construction contractors and taxpayers all lose.

Sincerely,

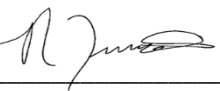



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