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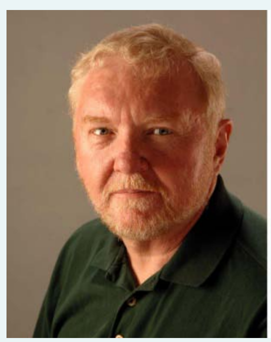
POWER WORKERS' UNION

May 2013 Newsletter



PWU President Don MacKinnon

I am writing to you at a time when we are experiencing change in the labour-government and labour management climate that will need our undivided attention. At both the federal and provincial levels of government the labour movement is facing legislative action that threatens the free collective bargaining process and the free operation of democratic trade unions.

The PWU has managed to negotiate good collective agreements that include real wage increases above the cost of living index for approximately 15 years. This is not a record that we apologize for to anyone. In fact we take great pride in gradually and steadily improving the standard of living of our members and in turn, raising standards for those around us. We have negotiated these improvements while working together with our employers to improve productivity levels and to improve the business models and operations that are fundamental to employees sharing in the success of those companies. We are highly skilled, we take pride in our work, we have experience and expertise, and we are not timid when it comes to providing our ideas on business improvements and fair treatment of employees by our employers. We do so because it is key to improving service continuously to consumers, the business stability of the companies we work for, and sustaining improvements to our standard of living, working conditions, job security, retirement security and quality of life.

The result has been good jobs and careers for our members, sound and profitable business operations for our employers and high quality service to customers at a reasonable cost.

These outcomes have come as a direct result of a free collective-bargaining environment that provides a proven framework for striking a sustainable balance that serves the needs of workers, businesses and our society as a whole.

Today, that system of striking a fair balance is under serious attack on many fronts. There are those, and plenty of them, who want to turn back the clock to a time when workers got a much smaller share of the pie and our society was one where the gap between those that have and those that have not was much wider. These are attacks on middle class and those less fortunate.

Unions and the free collective bargaining process are the initial targets because they provide the only real opportunity to set fair standards for workers.

The strength of the Canadian union movement comes from the diversity of its membership. It will be more important now that workers from all types of unions support each other. Teachers, airline workers, postal workers and auto workers, like our members, all pay taxes, have bills to pay and families to support. We all deserve access to free and fair collective bargaining and we will have to improve our ability to work together and to demonstrate respect and support for each other if we are to be successful in this struggle for basic rights of working people.

The measure of our success has been, and will continue to be, our ability to work together and use our collective capabilities to steadily improve our members' work environments and standard of living.

I am pleased to report that your Union is strong, financially sound and prepared to be the best possible advocate for all PWU members. We will continue to improve our capabilities on behalf of all PWU members so that future generations of PWU members will have an even stronger and more effective union than they have today.

Improved Communication

One of the guiding principles of the PWU is open and honest communication. In a union as large and diverse as ours, it is always going to be a challenge to ensure that the membership is fully informed and engaged. The strength and effectiveness of any union starts with understanding, solidarity and support for each other. This can only be maximized with effective communication between members and all levels of their elected leadership and staff members.

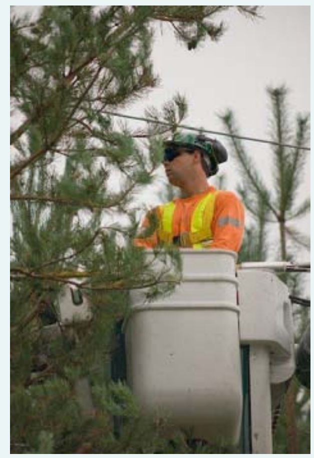
As part of our recent strategic planning process, we have identified the need to enhance and improve the PWU communication process on an ongoing basis. Quite simply, the union works best when the membership, elected representatives and staff members are better informed. The central action we took to address this priority was to hire a full-time PWU professional Communications Officer. After a lengthy search, I am pleased to report that Donald Wallace joined us in April. Most recently, Donald has been acting as a consultant for not-for-profit organizations, but he also worked for Professional Engineers Ontario, the University of Ontario Institute of Technology and York University.

Donald has a wide range of responsibilities for developing and executing communication strategies and products initially aimed at improving internal, two-way communication between PWU members and their elected leadership and staff members. Two of his highest priorities over the next few months will be to develop a regular newsletter that will get pertinent information out to members in a timely way and to revamp the PWU websites. He will develop, in consultation with elected officers and other PWU staff members, an annual communication plan with defined objectives, responsibilities, products, campaigns and timelines. Ongoing feedback and suggestions will be invited from members as communication strategies are developed and implemented so the Union stays on top of changing needs.

The PWU already enjoys an enviable reputation for its well-researched and fact-based contributions to the discussion of Ontario energy policy but Donald will help us make sure that we are reaching as wide an audience as possible in a rapidly changing digital age.

I am also pleased to report that the PWU has added a new Grievance Officer to our staff. In April, Scott Andrews joined us after a fourteen-year career with the Ontario Public Service Employees Union where he was one of their more senior grievance officers. Earlier in his career, Scott worked as a critical care flight paramedic for thirteen years and before that as an electrician (construction and maintenance).

Also joining the PWU Staff is Christa Helsdon. Christa is the new Mail Services Assistant replacing Lauren Avery who has moved to the General Office as an Administrative Assistant. Scott, Donald and Christa will be valuable additions to our staff.



Working People Under Threat

The trade union movement in Ontario and in Canada is under attack and this is a threat to the well being and the economic future of the middle class in this country. At the provincial level, Progressive Conservative leader Tim Hudak released a policy paper last June that threatens to impose so-called "right-to-work" laws that have been adopted by some US states, and would more accurately be described as "right-to-work-at-minimum-wage laws." He has continued his baseless ideological criticism of Ontario's unions in recent speeches. At the heart of his proposals is a pledge to scrap the centerpiece of Canadian labour law: the Rand Formula, which was established as a result of the recommendations of Supreme Court Justice Ivan Cleveland Rand after a bitter recognition strike at an Ontario auto plant in 1945. The Rand Formula is a classic Canadian compromise adopted by governments across the country. It has worked well for over 65 years and provides that everyone represented by a union in the workplace must pay dues or the equivalent of dues to the union. Workers are free to join a union or not, but those who get the direct benefit of union representation share equally in the cost of it. This formula is designed to ensure fairness among workers by preventing the "free rider" problem - an employee who, given the chance to opt out of paying for representation, would take the benefit of representation (including the terms of the collective agreement) without paying the cost. Those enjoying the benefits of the union's achievements such as wage increases, better working conditions and negotiated workplace rights, better job security and improved benefits share also in the cost of those achievements.

One can only speculate as to why Mr. Hudak has chosen to adopt such a radical stance, which is so at odds with the views of his Progressive Conservative predecessors who established the very system of labour relations that he is seeking to dismantle. Whatever the reason for the Hudak labour policy, it undermines the middle class, it is highly divisive and has met with some stiff resistance including from many employers. A similar proposal in Saskatchewan was withdrawn after business leaders voiced concerns over likely workplace disruptions. Simply put, Mr. Hudak's party platform would undo hard-won and decades-old accomplishments of the Canadian labour movement. I have taken the PWU's opposition to the PC position directly to Mr. Hudak. Needless to say, he did not accept our advice to abandon this ill-considered attack on working people and we are likely to hear more of this rhetoric during the next provincial election campaign.

Mr. Hudak has also called for greater public disclosure of union finances. In this, he is echoing the rhetoric of the Harper government's Bill C-377. This so-called private member's bill –*An Act to Amend the Income Tax Act (Labour Organizations)*– was introduced in December 2011 by Conservative backbencher Russ Hiebert after his earlier attempt to strip unions of their *Income Tax Act* treatment failed on procedural grounds. Bill C-377 passed Third Reading in the House of Commons by a vote of 147 to 135 last December, a rare occurrence for a private member's bill, but not surprising since Prime Minister Harper's office has backed this bill from its very beginning. The bill would require unions to make public all expenditures exceeding $5,000 and all salaries over $100,000 and to disclose what percentage of their funds they used for lobbying and political activities. It has moved to the Senate where it has run into considerable opposition including from some Conservatives who are still committed to the view that government should legislate in the interests of the public at large, as opposed to the interests of an ideological minority.

The PWU and the Canadian Labour Congress (CLC) have been highly critical of Bill C-377. As the CLC puts it: "The Conservative government plans to waste up to 100 million taxpayer dollars over 3 years for self-serving political reasons, despite Canada's deficit growing to $26 billion. Bill C-377 is a Conservative party attack on unions, privacy and common sense." According to a recent report from the Broadbent Institute:

> C-377 creates a remarkable double standard: these stringent reporting requirements would not apply to other organizations, such as employer groups and professional associations, which engage in similar kinds of lobbying and political advocacy. The Canadian Bar Association (2012) argues that the Bill violates Canadians' Charter rights to free expression and association by excessively interfering with unions' internal administration and operations.

Make no mistake: Bill C-377 has nothing to do with tax policy or sound public policy. The fact that it targets unions and not professional associations (who are the professional equivalents of unions for tax purposes) makes this clear. The bill is, like the push for the elimination of the Rand Formula, a transparent attempt to debilitate if not destroy unions in this country.

The PWU is now and has always been committed to accountability and transparency. Current labour laws already contain financial reporting requirements which have served those represented by unions well for decades. The PWU Constitution has for many years contained financial transparency provisions exceeding those required by law. The point is that unions are already accountable to those who they represent and from whom they collect dues. Bill C-377 is not about accountability, but about forcing unions to disclose their members' financial information and information about the people they do business with and disclosing it to the public, including employers, on a web site. This is something not required of any other private organizations. There is no plausible reason for this requirement - other than to weaken the unions by forcing them to expend resources on gathering information and making it a potential privacy liability for anyone to do business with the union movement. This is a threat to all Canadians because, as goes the union movement, so goes the middle class in this country. Unions protect wages and jobs that provide income to support business. These are good jobs available to all Canadians.

The PWU will continue to remind decision-makers and the public of the important role that trade unions play in our society. In a recent editorial, I put it this way: "So what have trade unions done for you lately? They've protected good jobs, wages, benefits and working conditions for you and your children. They've ensured that ... you, your friends and family, are treated fairly in the workplace. They've fought against growing income inequality and for the preservation of the middle class - the only way of guaranteeing economic prosperity for all of us in the future."

We will keep you informed as these situations develop federally and provincially.

Health and Safety

On March 5th, we were reminded once again that workers in the electricity industry often face unforgiving hazards. Wayne Maschke, a long time Hydro One Construction Services electrician (Canadian Union of Skilled Workers) was killed at work while he and his crew were rolling a regulating transformer into place at a Hydro One station north of Kingston near Sharbot Lake. The transformer suddenly shifted during the move and crushed Wayne between the transformer and a steel structure.

In recent months, the PWU has witnessed an alarming trend in health and safety with more and more of our employers, namely the increasing number of incidents and accidents as well as procedural changes that move toward a stance of minimum compliance with the Health and Safety Act and established corporate safety rules. The provincial Ministry of Labour has visited a number of workplaces to investigate both new and ongoing issues. We have experienced a dramatic spike in unilateral work stoppages. Some companies have demonstrated a reluctance to investigate incidents or to involve workers in investigations that do take place.

In response, PWU health and safety staff members and representatives have been providing as much field support as possible. At the same time, the PWU is directly communicating its growing concerns to employers where our members work. In addition, the PWU Office has issued bulletins on various topics including designated substances and the right to refuse unsafe work.

In light of this unacceptable trend, PWU members must be even more vigilant and self-aware. The stakes are high. PWU members are typically the best trained and informed people in industry and must be prepared to refuse unsafe work and exercise your other rights as appropriate to protect your health and safety and that of your co-workers. Members should apply your PWU and workplace training to speak up about problematic work. Be prepared to ask questions during pre-job briefs about whether designated or hazardous substances will be used and, if so, what procedures will be followed.

We have come to know that the most effective health and safety programs come with joint efforts from both union and management but, in those instances where a particular employer is not willing to hold up their end of the internal responsibility system, we will take any and all actions necessary to ensure the health and safety of our members.

Electrical Industry Update

New Government Holds the Line On Forced Distribution Mergers and Amalgamations

In its 2012 budget, the Ontario government announced that it was setting up a body to identify efficiencies in Ontario's electricity distribution system. The so-called Blue Ribbon Panel made up of retired politicians from the three main political parties made its report public on December 13, 2012. The report made a broad list of recommendations the centerpiece of which was a series of voluntary and forced mergers of Local Distribution Companies (LDCs) to create eight new regional companies covering the entire province. All of Hydro One's distribution service territory was to have been divided up among the new regional entities.

The PWU argued that there was no evidence to indicate that larger utilities are more efficient just because they are larger. We supported the status quo merger arrangements including "willing buyer – willing seller" and exemption from transfer tax payments if a public-owned company bought or amalgamated with another LDC. The PWU also submitted that the current performance regulation system and merger rules have accommodated a mass reduction in LDCs from 308 to 80.

We also emphasized that Hydro One should not be forced to sell distribution assets under any circumstance while highlighting the importance of synergies between Hydro One's distribution and transmission businesses.

I am very pleased to report that the new Minister of Energy, Bob Chiarelli, recently announced that the government would not force mergers, amalgamations or sale of LDCs, nor will the government force sale of Hydro One service territory to create new regional distribution companies. This decision is a good one and they deserve some credit for turning down the central recommendations of the Blue Ribbon Panel and affording the industry a period of much needed business stability. They are still assessing other recommendations of the Panel regarding improved efficiencies and the PWU has made follow-up recommendations. We will report any significant developments.

The Press for Conversion of Nanticoke, Lambton and Thunder Bay

We continue to press hard for the conversion of Ontario's valuable coal-generating stations to carbon-neutral biomass and/or natural gas. The PWU continues to push decision makers to understand the benefits of repurposing Nanticoke, Lambton and Thunder Bay and it is frustrating that, to date, we have not been able to secure any commitments on that score.

To the government's credit, conversion of the Atikokan Generating Station to 100 percent biomass has been approved and is now underway. The option of converting the remaining coal stations has not been deleted from the provincial government's Long Term Energy Plan and still remains viable but there has been little encouraging news. Minister Chiarelli, however, has indicated that the government is considering a new Integrated Power System Plan and this process could provide an opportunity to once again make a strong case for conversion.

The conversion of Thunder Bay Generating Station to natural gas had been announced at one point but the Ontario Power Authority (OPA) and Ontario Power Generation (OPG) have not come to agreement on a long-term Power Purchase Agreement and are now working on a short-term contract. The previous Minister had stated that the OPA was considering transmission solutions to electricity needs in the northwest as an alternative to conversion of Thunder Bay Generating Station but we remain hopeful that there will be some sober second thought on the future of the plant. Many people in the local community continue to be tirelessly supportive of our efforts to secure commitments to convert the plant to natural gas and/or biomass.

The Nuclear Front

In April, for the first time in more than 15 years, all eight nuclear units at the Bruce Site are up and running. This tremendous achievement is one that PWU members and their union should take great pride in.

Bruce A was shut down by Ontario Hydro in 1998 causing much anxiety and hardship for PWU members and the local communities surrounding the stations. It was the PWU that pushed the provincial government to consider a public-private partnership to take over ownership of, refurbish and operate the Bruce station. With the PWU involved at each step, British Energy became the central player in the transfer of ownership from Ontario Hydro in 2001.

In 2003, British Energy sold its interest to a group of private Canadian investors which launched strategies that would eventually culminate in the successful restart of Bruce A and the revitalization of the Bruce site. Innovative ideas, commitment, hard work and unrelenting persistence paid off for thousands of PWU members, the people of Ontario, private investors and a proud host community. Congratulations to all are well deserved.

Plans for the refurbishment of four nuclear units at Darlington continue to progress despite the opposition of a number of relatively small but vocal opposition groups. This project is critical for OPG and PWU members but it should be less costly than the Bruce project for two primary reasons. First, the Darlington units are not as old and appear to be in better shape prior to refurbishment. Second, many lessons were learned from the previous refurbishment projects at Pickering, Point Lepreau in New Brunswick and Bruce Power that should result in efficiencies at Darlington.

More unit refurbishments at Bruce Power will soon need a go-ahead from government and investors in order to keep the eight units operational for decades to come.

The importance of the role that the PWU plays in these crucial refurbishment projects cannot be overstated and we take that responsibility very seriously.

Ontario needs new units at Darlington. Otherwise, the production that will be lost when Pickering closes, as planned, in 2020 will have to be replaced by a combination of more expensive wind and carbon-emitting natural gas generation. We need our federal government to do its part to make the project happen and to position CANDU Energy for success on the international market. Without this project, Canada's nuclear industry, its 70,000 direct and indirect jobs and its ability to reduce carbon emissions are in long-term jeopardy.

Ontario College of Trades

In late February of this year, the Ontario government announced that the responsibility for the regulation of certified trades and apprenticeships would be transferred from the government to the newly-formed Ontario College of Trades (OCOT) as of April 1, 2013. Like engineers and teachers, the trades are now self-governing. The OCOT's goals are to promote the College and build its membership, to regulate the trades, to govern its members, and to attract people to skilled trades' careers. The OCOT states that its primary function is "to protect the public from unqualified, incompetent or unfit practitioners."

While the creation of the OCOT has some positive aspects, the proposed fee structure has proven to be a source of numerous complaints and could have some unintended consequences if not addressed. In the past, the costs of regulation, including enforcement, were funded by the government. Now, the OCOT plans to levy membership fees to pay for its operations effectively downloading costs from the province to licenced tradespersons and apprentices. The new fee structure will see the cost of renewing a licence in a compulsory certified trade raised from $60 every 3 years to $120 every year. Both the PWU and the Ontario Federation of Labour have opposed this approach arguing that it places an unfair burden on tradespersons and could inadvertently act as a barrier to becoming a certified journeyperson. The PWU has been meeting with the OCOT to convey our concerns with the fee structure and other issues identified with the operation of the College.

As the College ramps up its operations, the PWU will make representations to the OCOT on matters affecting our members and our apprenticeship programs. Earlier in the development stages of the College, the PWU recommended that apprentice to journeyperson ratios in the Electrician: Construction and Maintenance and Lineperson categories remain the same.

The College will have authority to recommend reclassifying voluntary certified trades to compulsory certified status (trades that require certification in order to perform work). Should changes in such designations have an impact on PWU members now working in non-compulsory trades, the union will push for grandparenting arrangements for those affected.

Many questions have been raised by the PWU with the College and when we have the answers we will pass them on to the membership.