

MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

- I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines
- II ISSUE:** Meeting with Tom Sigurdson, British Columbia and Yukon Territory Building and Construction Trades Council (BCBT), Wayne Peppard of the Allied Hydro Council (AHC) and Gary Ley concerning the Site C labour model

III BACKGROUND:

Tom Sigurdson is the Executive Director of BCBT and was appointed to the board of the Industry Training Authority in May 2014. The BCBT was established in 1967 as an umbrella organization for construction unions in the Province. Currently there are 14 unions representing over 40,000 members.

Wayne Peppard is a former Executive Director of BCBT and is currently the Chairman of the AHC. The AHC was formed in 1963 to participate in a project labour agreement on the Peace River dams. It is comprised of 18 different trades, representing over 40,000 members, which have traditionally built dams for BC Hydro.

Gary Ley is Chief Operating Officer for Gary Ley Public Affairs and a registered lobbyist in British Columbia. He is a consultant working with BCBT and AHC.

The BCBT and AHC have jointly requested a meeting to discuss BC Hydro's labour force model, a Managed Open Site, which is an inclusive labour model that would identify terms and conditions of employment, culminating in a Project Labour Force Agreement (PLFA) for the project's construction work. The two groups have raised concerns about the use of a PLFA and have proposed another type of labour agreement model, known as a Project Labour Agreement (PLA) model, for the Site C project. They argue that the PLA model is currently being used for the Waneta Expansion Project, the Mica Project and the John Hart Dam Upgrade Project.

IV DISCUSSION

BC Hydro's procurement approach for the project's major components is expected to consist of large contracts for major project components and multiple smaller contracts for supporting activities. In developing the labour approach for Site C, BC Hydro examined construction labour relations strategies presently in use in Canada, as well as those previously used on BC Hydro generation projects. BC Hydro has consulted and engaged with British Columbia industry stakeholders and labour organizations, external advisors, labour and employment lawyers and labour relations consultants with expertise regarding major industrial projects.

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Since February 2013, BC Hydro has reviewed its labour model approach with both industry and the Province:

- On October 29, 2013 with the Minister of Energy and Mines and the Minister of Jobs, Tourism and Skills Training;
- In November and December 2013 with the Deputy Minister to the Premier and Executive Director, Public Sector Labour Strategy and Compensation;
- On February 13, 2014 with Deputy Minister Dave Nikolejsin and Assistant Deputy Minister Les MacLaren; and
- From April to June, 2014, with industry and labour stakeholders including BCBT and AHC.

The BCBT and AHC have met specifically with BC Hydro and the Province on a number of occasions:

- On September 23, 2014, October 3, 2014 and November 10, 2014 with Jessica McDonald, President and Chief Executive Officer for BC Hydro;
- On November 18, 2014 with Dan Doyle, Chief of Staff and Chris Gardner, Premier's Office; and
- In addition, Mr. Sigurdson will be meeting again with Jessica McDonald on December 23, 2014.

In September 2014, BC Hydro proposed a refined approach to the Managed Open Site model. The proposed approach would continue to be a Managed Open Site and the combination of a Contractors Committee and the use of third party mediator(s) will help to mitigate some of the labour risk but would not go as far as transferring the responsibility to a formal arm's length legal entity as originally proposed.

V CONCLUSION

The BCBT and AHC will provide a briefing to the Minister on the PLA model, specifically addressing their issues of concern with the PLFA model. s.13,s.17
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