



BRIEFING NOTE FOR INFORMATION

DATE: August 31st, 2018
PREPARED FOR: Honourable John Horgan, Premier
MEETING: Information Briefing
ISSUE: Update: Community Benefits Framework

SUMMARY:

- The Ministry of Transportation and Infrastructure (TRAN) continues to lead, in collaboration with other ministries, the development of a Community Benefits Framework (CBF) that will guide the use of Community Benefit Agreements (CBA) and procurement and contract practices for public sector infrastructure projects.
- The CBF will support the achievement of enhanced benefits for British Columbians and their communities through the delivery of provincial public infrastructure projects.

s.12,s.13

- The Province successfully negotiated a CBA which was executed on July 17th, 2018. Signatories to the CBA are BC Infrastructure Benefits Inc. (BCIB) and the Allied Infrastructure and Related Infrastructure Council (AIRCC).
- A new Crown Corporation, BC Infrastructure Benefits Inc., has been established to provide the labour workforce for the construction of select infrastructure projects delivered under a CBA s.17
- The Pattullo Bridge Replacement project and upgrade projects on the Trans Canada Highway from Kamloops to the Alberta Border have been identified as early adopters for the application of a CBA. s.12,s.13,s.16

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BACKGROUND:

Government has embarked on the development of a cross-government Community Benefits Framework (CBF) to support investment in provincial public infrastructure projects that will create good paying jobs, support participation of local residents and businesses, increase opportunities for women and Indigenous peoples, and ensure effective apprenticeship and training opportunities to help create the next generation of BC workers. The CBF will also help ensure labour stability and wage predictability for workers.

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Negotiations of a CBA began on April 26th, 2018 with the Allied Infrastructure and Related Construction Council of British Columbia (AIRCC) and the agreement was finalized in July. The AIRCC is a coalition of Building Trade unions that is signatory to the CBA. The CBA is a collective agreement that sets out terms and conditions of employment for workers on specified projects.

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On July 16th, Premier John Horgan announced that the Provincial government will apply a Community Benefit Agreement (CBA) to the Pattullo Bridge Replacement project and upgrade projects on the Trans-Canada Highway from Kamloops and the Alberta Border, as early adopter projects.

On July 26th, a request for qualifications (RFQ) for the Pattullo Bridge Replacement project which included the new CBA was released to potential bidders and posted publicly online.

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A petition was filed on Monday, August 27th in the B.C. Supreme Court by a group of petitioners including the Independent Contractors and Businesses Association, various construction associations, non-Building Trades Unions and non-Building Trades contractors. The petitioners are seeking to quash the decision by Government to implement a CBA which requires Building Trades union membership for workers on the project.



To collect input on the CBF and facilitate a coordinated and collaborative government approach, TRAN has formed a working group of key ministries: Advanced Education, Skills and Training (AEST), Indigenous Relations and Reconciliation (MIRR), Jobs, Trade and Technology (JTT), Labour (LBR), Climate Action Secretariat (ENV), Citizen Services (CITZ), Social Development & Poverty Reduction (SDPR), Forest, Lands, Natural Resource Operations and Rural Development (FLNRORD), Health (HLTH) and Education (EDU) with mandates or program objectives that align with the key principles below, or responsibilities for infrastructure delivery. Ministry of Finance (FIN) and Ministry of Attorney General (AG) provide policy and legal advice on the working group.

Key CBF principles:

- Increased apprenticeship and skills training opportunities;
- Prioritized opportunities for Indigenous peoples;
- Increased opportunities for members of equity seeking groups traditionally under-represented in the construction workforce;
- Improved access for local workers and business;
- Aligned and predictable wages; and
- Environmentally beneficial practices that consider climate change impacts.

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The Ministry of Citizens' Services recently released a British Columbia Procurement Strategy, which identifies the creation of a CBF as a key action item under the goal of "Best value and increased social benefits to British Columbians".

Work is also under way by AEST, IRR, JTT, LBR, and ENV to develop objectives and targets (i.e. related to training, apprenticeships, indigenous and equity seeking groups, and local hiring) to meet their mandate and program objectives and form the basis for creating and reporting community benefits delivered under the CBF. s.12,s.13

A jurisdictional scan across North America and internationally has found many examples of community benefit focused policies and practises (including previous experience in British Columbia). BC Hydro has been successful in utilizing project labour agreements on their major dam projects since 1963.

DISCUSSION

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Development of the comprehensive CBF and reporting framework is currently underway. In partnership with ministries managing major capital projects, and with ministries with related policy mandates, the next steps for this work and timelines are outlined below.

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INITIALS

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Intergovernmental Relations Secretariat - Office of the Premier

CONFIDENTIAL ADVICE TO THE PREMIER

PREPARED FOR: Premier John Horgan

MEETING: Conference call between the Prime Minister and Premiers
Thursday, August 30, 2018 at 11:30am

ISSUE: Update from the Prime Minister on NAFTA Negotiations

SCENARIO:

The Prime Minister has requested a call with all Premiers to provide an update on the North American Free Trade Agreement (NAFTA) negotiations. Negotiations entered a critical phase when the U.S. and Mexico announced they had reached a preliminary Agreement in Principle (AIP).

KEY POINTS:

Many key details of the preliminary AIP between the U.S. and Mexico are unknown at this point.
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BACKGROUND:

The U.S. and Mexico announced they had reached a preliminary Agreement in Principle (AIP) on Monday, August 27th. The U.S. has stated that Canada has until Friday to join on to the deal or it will impose duties on Canadian autos. s.16
s.16

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Dispute Settlement / Chapter 19

Chapter 19 was not mentioned in the preliminary U.S.-Mexico AIP and s.13,s.16,s.17
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Supply Management

The U.S. President has repeatedly expressed concern about B.C.'s supply-managed agricultural sectors. The Prime Minister has long-defended the system in Canada but media is reporting that Canada may be willing to make concessions here to reach a deal. s.13,s.16
s.13,s.16

You and Minister Popham issued a joint statement on June 13, 2018 which included: "The Government of British Columbia expects the federal government will negotiate trade deals that benefit all Canadians, and supports efforts that include agricultural producers in the supply-managed commodities being given the due consideration and representation they deserve."

B.C. farms accounted for Canada's third highest supply-managed receipts, valued at nearly \$1.2 billion in 2017 (11.2 per cent of Canada's total supply managed farm cash receipts). There are 484 milk producers in B.C. All Canadian dairy producers in all 10 provinces operate under the same supply management system. Canada has about 12,000 dairy farms with about 950,000 cows. In comparison, the U.S. has about 49,000 dairy farms with approximately 9.3 million cows.

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Approval (or withdrawal) procedure

The President has stated that Canada has until Friday to sign on to the deal or else he will terminate NAFTA and proceed with a bi-lateral deal with Mexico. s.13,s.16

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The Friday deadline is based on U.S. law requiring the Administration to give Congress 90 days notice, therefore allowing President Enrique Peña Nieto to sign the deal before he leaves office on December 1st.

Autos

Minister Freeland has expressed support for concessions made by Mexico in the AIP on autos. Under the AIP, 40-45 per cent of a North America car's content would need to come from plants where workers earn at least \$16 per hour. Mexican auto workers make \$4 per hour on average. In addition, 75 per cent of North American car content must come from Canada, the U.S. or Mexico (up from 62.5 per cent).

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This note was prepared in collaboration with JTT, FLNR and AGRI