



Release

March 9, 2005

For Immediate Release

FLOODWAY AUTHORITY ANNOUNCES AGREEMENT ON MASTER FLOODWAY AGREEMENT

Fox-Decent Recommendations Basis of Agreement: Gilroy

Winnipeg, Manitoba – The Manitoba Floodway Authority (MFA) has announced that an agreement has been reached with the Manitoba Building and Construction Trades Council (MBCTC) on the establishment of a Master Floodway Agreement for the Red River Floodway expansion project.

“This agreement is the culmination of many months of work and represents a compromise on the part of all the parties,” said Ernie Gilroy, CEO of MFA. “The agreement provides labour certainty and allows us to better plan for this historic, multi-year construction project. With the agreement in place, the floodway authority can now focus on the main task at hand which is tendering the work to begin construction on the floodway project.”

“The agreement provides a level playing field for all workers working on the project,” said David Martin, Executive Director of the MBCTC. “It recognizes that people working on the project should receive fair compensation and benefits for the work they perform. We are also pleased that the agreement reinforces the importance of safety by ensuring safe work sites.”

“Today’s announcement means that we can refocus all of our efforts on moving ahead with this project,” said George Rajotte, President of the Winnipeg Construction Association (WCA). “Our members are eager to bid on the work during the tender stage. We look forward to getting underway with construction and providing greater flood protection for Manitobans.”

Last spring, the Province of Manitoba requested that Mr. Wally Fox-Decent examine the labour management issues regarding the floodway expansion project. In June, the Province accepted the Fox-Decent report and directed the MFA to implement the recommendations of the report.

Since then, MFA, as the project manager for the project, has been negotiating with the MBCTC to establish a Master Floodway Agreement. To allow for construction industry participation in the process, an Interim Owners Advisory Committee, comprised of representatives from the Manitoba Heavy Construction Association, the Winnipeg Construction Association, the Merit Contractors of Manitoba and the Construction Labour Relations Association of Manitoba was established to provide advice to the MFA during the negotiation process.

The main provisions of the Master Floodway Agreement include:

- No stoppage of work or work slowdown during the course of the project.
- Both union and non-union workers and contractors will be eligible to work and bid on the project;
- Non-union workers will **not** be required to join a union;
- All contractors – union and non-union - will be allowed to bring their current employees to the project;
- A rotational hiring provision that provides for 1/3 of new hires to be union hires; 1/3 qualified employment equity hires; and 1/3 qualified workers at large;
- Union workers will continue to pay union dues while non-union workers will pay an equivalent fee for the services rendered by the union;
- Wages will be the same for union and non-union workers with benefits equivalent to those contained in the appropriate union benefits plan;
- Union dues and service fees will be administered by a third party administrator for MFA; and
- Employee lists to be maintained by MFA.

Gilroy highlighted that the agreement provides for employment equity and training provisions which will help to facilitate the participation of women, Aboriginal people, persons with disabilities, and visible minorities. “One of our goals is to provide a pool of skilled labour not only for the floodway project, but for future projects as well,” said Gilroy.

Complying with the Workplace Safety and Health Act and safety and health regulations established by contractors or MFA, the agreement also stipulates the establishment of project site safety and health committees, consisting of employer and worker representation, that will meet on an ongoing basis during the life project. “Ensuring safe work sites is a priority for all of the parties,” said Gilroy.

Gilroy thanked all of the participants in the process including the MBCTC, representatives from the Aboriginal community and the members of the Interim Owners Advisory Committee. In particular, Gilroy expressed his gratitude to Mr. Peter Wightman, Executive Director of the Construction Labour Relations Association of Manitoba (CLRAM), who assisted MFA during the negotiations on the agreement. “Mr. Wightman’s past experience and expertise of dealing with project labour agreements was very valuable and I thank him for his constructive input.”

Gilroy also expressed his gratitude to Mr. Wally Fox-Decent for providing his input on the Master Floodway Agreement. “Mr. Fox-Decent’s recommendations have helped to guide us through this process.”

Once completed, the Red River Floodway expansion project will protect 450,000 residents, 140,000 homes, over 8,000 businesses and prevent over \$12 billion in flood losses in the event of a 1-in-700 year flood. Canada and Manitoba have confirmed their commitment to complete the expanded floodway at an estimated cost of \$665 million. Pending environmental approval, construction on the floodway expansion project is scheduled to begin in the summer of 2005.

Contact: Ronuk Modha,
Manitoba Floodway Authority,
(204) 945-4178, (204) 945-4900 or 1-866-356-6355

David Martin,
Manitoba Building and Construction Trades Council
(204) 956-7425

George Rajotte,
Winnipeg Construction Association
(204) 775-8664

BACKGROUNDER

FOX-DECENT RECOMMENDATIONS AS REPRESENTED IN MASTER FLOODWAY AGREEMENT

1. Respecting Open Tendering Process

“The floodway project will be considered to be an open project where union membership is not required to work on the project.” (Fox-Decent, pg. 2, 2004)

- The agreement stipulates that tendering will be open to both union and non-union contractors.
- The agreement provides for union and non-union workers to be eligible to work on the project.
- Non-union workers will **not** be required to join a union.

2. No Stoppage of Work or Work Slowdown

“Essential to the timely and cost-efficient completion of this project, is a requirement that the Master Agreement and Labour Management Sub-Agreement provide that there will be no stoppage of work or work slow down on this project.” (Fox-Decent, pg. 3, 2004)

- The agreement stipulates that no stoppage of work or work slowdown will be permitted under the agreement.

3. Wages and Hours of Work

Fox-Decent recommended that wages and standard hours of work be set for floodway construction by either a review of the Construction Industry Wages Act or through a Labour Management Sub-Agreement. (Fox-Decent, pg. 3, 2004)

- The agreement includes wages and hours of work as set in existing collective agreements or as negotiated for heavy construction classifications.

4. Other Working Conditions

“All conditions of work relevant to this project, except wages and hours would in this manner be determined after negotiating sessions between the Building Trades Council and the Floodway Authority (again with consultation of relevant employers or employer association). In this context, the unions would be negotiating on behalf of all workers; union and non-union. (Fox-Decent, pg. 3-4, 2004)

- All conditions of work relevant to the project were determined in negotiations between the MFA and the MBCTC, who negotiated on behalf of all workers.

- MFA consulted with the representatives of the construction industry through the Interim Owners Advisory Committee, consisting of the Winnipeg Construction Association, the Construction Labour Relations Association of Manitoba, the Manitoba Heavy Construction Association and the Merit Contractors of Manitoba

5. Dispute Resolution

“One way of proceeding with regard to this mechanism could be an independent third party office or individual (with support assistance) who would provide the services necessary as the decision maker in disputes. Union workers would be represented in this process by their union. The Unions would be available to represent non-union workers in the process at the request of the non-union worker.” (Fox-Decent, pg. 4, 2004)

- The agreement contains an arbitration process for grievances with a clause that provides non-union workers the option of being represented by the union, representing themselves or seeking other counsel.

6. The Union organizing issue

“It is recommended that the Floodway project be an ‘organizing free zone’. Details would need to be negotiated as above with the Building Trades Council and the Floodway Authority, but the end result should be that unions will not attempt to organize or sign up non-union workers on the project. This does not deny the individual worker the fundamental right to join a union if that is his/her choice.” (Fox-Decent, pg. 4, 2004)

- Open shop contractors will retain their open shop status while working on the project.
- The agreement contains a clause which reiterates a worker’s right to join or not join a union as he/she chooses.

7. Compensation for Provision of Services

“Significant service will be provided in a variety of ways by unions who are involved in this project...for the services rendered above by the Building Trades Council or one or more of the unions who are part of that Council, there should clearly be an entitlement to a fee. This fee will be paid by unionized workers to their union for services rendered, generally in the form of monthly dues. Non-union workers will pay an equivalent service fee into a fund managed by an independent third party within the Floodway Authority structure.” (Fox-Decent, pg. 4-5, 2004)

- The agreement stipulates that union workers will pay union dues to their unions while non-union workers will be required to pay an equivalent fee.
- Union dues and service fees will be administered by a third party for MFA for distribution to appropriate affiliate local unions.

Other

Hiring

- The agreement allows contractors to bring their current employees to the project subject to 20 per cent equity requirements.
- The agreement stipulates that the hiring process for new hires ensures that:
 - 1/3 of the workers will be union
 - 1/3 will be employment equity workers
 - 1/3 qualified workers at large