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For Immediate Release

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LOCAL 793 OBJECTS TO CANADA SIGNING TRANS PACIFIC PARTNERSHIP

OAKVILLE — Mike Gallagher, business manager of Local 793 of the International Union of Operating Engineers, says the federal Liberals have made a mistake by signing the Comprehensive and Progressive Trans Pacific Partnership (CPTPP).

“By signing this deal, the Liberals are failing to protect construction workers in this country. There are provisions in this trade pact that can be exploited by foreign construction companies at the expense of Canadian workers and our economy.”

“This deal, in our opinion, could open the door to under-skilled and under-paid temporary foreign workers being allowed to enter Canada to work – something that is unacceptable to our union.”

Gallagher said the CPTPP does not have a Canada-first provision and there is nothing in the deal to prevent a construction project being built in Canada by a foreign company with foreign workers.

A side-letter to Article 12.4 of the CPTPP states that Canada shall grant temporary entry and a work permit of up to three years to intra-corporate transfers of executives or managers, management trainees on professional development, or specialists. Specialists are defined as a worker possessing specialized knowledge of a company’s products or services and their application in international markets, or an advanced level of expertise or knowledge of the company’s processes and procedures. There is no mention of hiring Canadians first, opening the door to foreign companies being allowed to bring in foreign “specialists” to work on a project. Worse, there would also be no restriction on how many specialists a foreign company could bring in.

The deal, signed March 8 by International Trade Minister François-Philippe Champagne and representatives of 10 other nations in Santiago, Chile, could also affect Canadian contractors because they might end up competing for projects against foreign companies that could bring in cheaper labour.

“We have plenty of skilled, trained workers here in Canada and are concerned that the government has gone ahead and signed this deal without closing those loopholes,” said Gallagher. “These issues have been raised but, unfortunately, they were not addressed in the deal.”

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Gallagher noted that if large foreign construction firms come to Canada and take work from local contractors and workers it does nothing to benefit the Canadian economy or the pension, benefits and training programs of unions like Local 793, as the foreign firms and workers take the wages and profits back to their own country, something that is unacceptable to Canadian employers and workers – whether unionized or not.

Gallagher said the fact that the United States saw the light and exempted itself from the CPTPP should ring warning bells for the Canadian government. The U.S. officially withdrew from the pact on Jan. 23, 2017 because the administration was concerned it would be a job killer and undermine the U.S. economy.

Local 793 has always supported fair trade agreements that don't undermine the Canadian workforce by bypassing labour, safety and training standards, and backs NAFTA because no unfair advantage accrues to U.S. contractors when it comes to licensing or substandard training, Gallagher said, but the CPTPP raises the prospect that Canadian workers will not fully benefit from the jobs that will be created by the \$125 billion in infrastructure funding over 10 years that was announced by Prime Minister Justin Trudeau when he paid a visit to the Operating Engineers Training Institute of Ontario during a campaign stop in August 2015.

Gallagher noted that the Ontario government and a number of influential groups, including Canada's dairy farmers, the country's largest private-sector union, and key sectors of the Canadian auto industry are also critical of the trade pact, saying it will cost jobs in Canada.

Unifor, which has more than 315,000 members across the country, is warning that the deal is a regressive agreement that will start a race to the bottom and once again hurt Canadian workers because Article 19 on labour rights is essentially unchanged and fails to make any meaningful advancements to ensure compliance and enforceability when labour rights are violated under the deal.

The Canadian Vehicle Manufacturers' Association, which represents companies that make most of the vehicles produced in this country, is also concerned that the deal fails to provide our large auto manufacturers with reciprocal access to markets of trading partners in the CPTPP.

The Dairy Farmers of Canada, which represents farmers on about 12,000 dairy farms, indicates the deal will give other countries in the CPTPP tariff-free access to Canada's dairy market. The group estimates that the market access conceded in the deal will result in a 3.1-per-cent loss in milk production by Canada's dairy farmers, or about \$160 million per year.

The Council of Canadians, a social action organization, has called on government to scrap the deal because public objections to it were ignored and the pact will result in large job losses. A study called *Trading Down, Unemployment, Inequity and Other Risks of the Trans-Pacific Partnership Agreement* done in January 2016 by Tufts University in Massachusetts found such a deal could cost Canada 58,000 jobs over a 10-year period.

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Meanwhile, according to the Ontario government, the province's farm sector could lose \$500 million in revenue over the first five years of the deal and a drop in investment in the auto sector would result in an economy-wide reduction of \$80 million in the annual gross domestic product as well as potential job losses. In a speech to the Toronto Region Board of Trade on Feb. 22, 2018, Premier Kathleen Wynne noted the province's auto sector will need \$1.26 billion in transitional assistance from the federal government over 10 years to adjust to the new realities created by the CPTPP and the agriculture and food sectors will need \$1.4 billion over that period.

"Why did Premier Wynne not mention assistance for the construction industry, which employs more than 500,000 workers in Ontario?" asked Gallagher. "It would appear that both the federal and provincial governments are ignoring the impact that introduction of the CPTPP will have on construction workers. Why is that, when our industry is so important to the growth of the economy?"

Gallagher said the deal is out of step with the federal government's budget objectives of advancing women and Indigenous peoples and addressing youth unemployment and underemployment because foreign workers will have a higher priority than the domestic workforce.

A report done in August 2016 for Canada's Building Trades Unions noted that the deal makes it easier for temporary workers to enter Canada because employers will no longer need to prove that there is a shortage of domestic workers in a specified occupation in order to open the sector to foreign workers.

Gallagher noted that, in the past, there have been abuses of the system and the CPTPP will only make matters worse – not better.

On April 4, 2007, for example, two temporary foreign workers were killed when a storage tank roof collapsed on them at a Canadian Natural Resources Ltd. (CNRL) site near Fort McMurray, Alta. The workers were employed by the Canadian subsidiary of Chinese engineering firm Sinopec Shanghai Engineering Company (SSEC). CNRL was fined \$10,000 and SSEC was ordered to pay \$1.5 million in penalties.

In 2012, HD Mining International Ltd. was found to have brought in more than a dozen Chinese miners to develop a coal mine at the Murray River project near the town of Tumbler Ridge, B.C. The company had been granted temporary permits to bring in more than 200 miners. The workers were sent back after Local 115 of the International Union of Operating Engineers and Local 1611 of the Construction and Specialized Workers Union challenged the company in court.

In April 2013, meanwhile, it was revealed that the Royal Bank of Canada was planning to shift information technology work done by 45 Canadian employees to foreigners contracted by iGate, an outsourcing firm from India. Because of public backlash, the bank released a new code

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of conduct stipulating that RBC and its suppliers must not hire foreign workers to perform services for the bank when someone eligible to work in Canada is available and able to perform the service.

Without protecting Canadian workers under the CPTPP, Gallagher said the huge potential to employ First Nations peoples and construction workers to build railways, roads and infrastructure in the Ring of Fire area in northern Ontario could be lost to foreign companies and workers.

“Can the Liberal government give us a guarantee that we won’t have Canadian jobs ripped off by offshore contractors and foreign workers?”

Gallagher said Local 793 takes health and safety very seriously and the CPTPP also needs to clarify that unlicensed crane operators and operators of heavy equipment from foreign countries would not be able to circumvent licensing requirements in Ontario.

“Construction equipment is large and dangerous and members of the public and other construction workers could be in danger if foreign workers were permitted to work in Canada without so much as a demonstration of skills test to prove their competency. This must be avoided at all cost.”

Gallagher noted that on March 12 in Quebec’s Saguenay region, during the first stop on a cross-country tour of aluminum and steel factories, Prime Minister Trudeau said he and his team have the backs of workers in those industries.

“But does he have the backs of construction workers in the CPTPP deal? I would like to think so, but the prime minister needs to make that point clear right now, as he did for the workers in Quebec.”

Local 793 of the International Union of Operating Engineers represents nearly 15,000 highly-skilled crane and heavy equipment operators across Ontario. The union has a head office, banquet hall and training campus in Oakville, and another training campus in Morrisburg. Canadian locals of the International Union of Operating Engineers represent more than 50,000 operators and have hundreds of millions of dollars invested in equipment at training centres across the country.

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