

# Buying a Labour Monopoly?

An Examination of Job Targeting Programs (JTPs)  
and their operation in the Canadian Construction Sector

Ray Pennings

Work Research Foundation  
Mississauga, Ontario

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## EXECUTIVE SUMMARY

The purpose of this study is to document the operation of Job Targeting Programs (JTPs) and assess their impact on the construction industry in Canada. Various statutory concerns which have been raised about JTPs and the taxation of their funds are reviewed.

JTPs seem to appear in the context of a decline in their market share by certain craft unions, in some cases from a near-monopoly position which they once enjoyed. JTPs were pioneered in the United States, however, their prominence has declined in recent years there, in part due to litigation which has been mounted against these programs.

The operation of a JTP involves a union local establishing a fund to which a contribution is made for every hour worked by a member of the local. In some cases, this contribution is deducted from the members' wages and receipted as union dues for taxation purposes, while in other cases it is remitted by the employer in a similar manner as contributions to other union funds. The fund is usually administered by the union.

Employers who are party to these arrangements (generally formalized through a collective agreement provision or through a separate letter of understanding) are eligible to make an application to this fund if they are bidding on a project against competitors who are not bound by the union agreement. Just prior to the closing of the bid, the union reviews the applications and offers the applicant employers a subsidy which they can incorporate into their bid in the hope of being more competitive and accessing the work. The criteria and amounts of a subsidy vary widely. However, the common objective is to use this fund in order to improve access to work for union members and contractors, work for which they would otherwise not be competitive.

It is estimated that cumulatively, more than \$100 million are administered annually by JTPs in Canada. Subsidies granted on jobs range from \$1.50 to \$19.00 per hour of work. There is some evidence that JTPs have helped certain unions resist the decline in their market share, but conclusive results cannot be measured. Many in the industry expect JTPs to continue as a feature of the construction industry for some time.

The paper concludes that JTPs are most successful if they benefit from a significant cross-sectoral subsidy, with a large number of hours worked in subsectors (usually industrial) where the affected union is effectively protected from competition. In such cases, the large industrial clients involved pay a premium in exchange for labour peace. The JTP funds generated by this "protected" work are used to "buy" jobs for union members in other subsectors.

As the owners' community is becoming more aware of how JTPs work, they are using the bidding process to their advantage, and various steps are being taken in an attempt to attract JTP funds to particular projects, thereby reducing the owner's costs. The paper examines the application of Section 45 (1) of the *Competition Act* and identifies potential hurdles for its enforcement. The paper also considers whether the overall JTP structure might be reasonably

interpreted as an example of potentially anti-competitive activity for which the *Act* provides redress. A labour exemption clause in the *Act* may provide a defense against an abusive dominance allegation, however, the relevant sections have not been tested and so there is no jurisprudence to guide an interpretation.

A legal opinion commissioned for this study suggests that the practice of receipting JTP contributions as union dues, as is the practice in almost one-third of the cases, might be deemed to be in violation of Revenue Canada's guidelines. While this tax incentive assists union representatives in "selling" JTPs to union members, there are no net effects on overall tax revenues.

While JTPs are usually defended as a means for unionized workers and contractors to compete on a "level playing field," the study concludes that in practice, JTPs have other effects. They are a defense of a particular system of craft organization in the construction industry. The social cost of this system includes prescribing union choices for workers as the system naturally tends toward monopoly control of the labour pool. The effect of JTPs is to introduce noneconomic considerations into the bidding process. The continued prevalence of JTPs has significant potential to hurt the image of the industry and to erode confidence among participants.



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## Chapter 1

### Purpose and Background of Study

This study was undertaken in an attempt to document the operation of Job Targeting Programs (JTPs) and assess their impact on the construction industry across Canada. These funds are generally created through a collaborative effort between unions affiliated with the Building Trades Council (BTC) and employers who are organized by these unions. Although the creation and use of these funds are matters of general knowledge to those involved in the industry, publicly available documentation regarding these funds is scarce. This lack of reliable first-hand, publicly accessible information has created an information vacuum for those involved in the industry who observe the effects of these funds but are unsure of their specific provisions.

In this context, the first objective for this report is to obtain reliable documentation pertaining to the operation of Job Targeting Programs so that discussion about their role and impact can take place.

Much of the speculation that has filled the information vacuum has focused on legal questions about the appropriateness of JTPs. Opinions have circulated, especially in the "open shop" segment of the industry, ranging from whether the tax treatment of these funds amount to an effective public subsidy to whether JTPs should be considered a form of collusive activity or a kickback scheme forbidden by legislation.

While the interpretation of statutes and their applicability to specific situations are clearly matters that should be left to those trained for that task, this study does survey the various statutory concerns which have been raised about JTPs. Given the complexity of taxation law and the significant concerns raised regarding the tax treatment of these funds, a formal legal opinion was commissioned to deal with that specific question. That opinion is included as part of this report (Appendix N).

The interest of the Work Research Foundation in JTPs comes out of a research agenda that has been focusing on the compatibility of freedom of association with free collective bargaining. Previous studies in this series include an overview paper documenting how the jurisprudence and precedents have affected practices in various sectors across the country; a paper by Dr. Reginald Bibby from the University of Lethbridge examining Canadians' attitudes toward compulsory unionism, based on the results of a poll conducted by the Angus Reid Group; and a paper examining the impact of a project agreement for the Vancouver Island Highway on the reasonable pension expectations for workers involved. The latter study was conducted by Greg Hurst of the Shasta Consulting Group.

Given that a stated objective of unions involved in JTPs is to achieve a loose monopoly of the skilled labour pool, this subject is clearly a matter of interest to the WRF. It might be inferred that since this research has been commissioned by an organization that believes union choice is a good thing—and, by inference, that monopoly control of a labour force is not desirable—there is an inherent research bias against JTPs. In this context, it should be noted that the WRF also has a clear pro-union bias, believing that collective bargaining is desirable and a preferred method for workplace organization. JTPs are most evident where there is a decline of the unionized and the rise of the nonunion construction sectors. The WRF believes that union security measures are necessary to protect the collective interests of workers. The question is one of balance between the individual rights of each worker and the collective interests of the group.

It should be noted that simply considering the construction sector in terms of a single or unitary BTC union/nonunion dichotomy is not accurate, especially in certain jurisdictions and subsectors. As will be developed in more detail in this report, the attempt by certain craft unions to increase their market share takes place against a backdrop of alternate forms of worker organization gaining prominence in the construction industry. At least six unions<sup>1</sup> are active in the construction industry that are not affiliated with the traditional Building Trades Council, the central organizing body for craft unions. What these six unions have in common is a “wall-to-wall” (all employees in the same bargaining unit) method of organizing as opposed to the “craft” method (each trade has its own union) which is traditional in construction.

In the course of this research, every attempt was made to objectively consider the effects and operations of these funds. In the final chapter, we have explored concerns and considerations that were raised by various people, many of whom are directly involved in the operation of JTPs. Our objective is to document the extent and existence of these funds as they operate in Canada, to identify and explore the various issues raised by their operation, and evaluate their effectiveness. While interested parties who read this report may offer different conclusions, perhaps guided by self-interest in these programs, there is benefit in creating a context for discussion where the basic facts are beyond dispute. The issues arising from these facts can be debated on their merits.

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<sup>1</sup> These include the British Columbia Government Employees Union (BCGEU); Christian Labour Association of Canada (CLAC); Construction and Industrial Workers Union (CISIWU); Chemical, Energy and Paperworkers Union (CEP); the General Workers Union (GWU); and the International Woodworkers of America (IWA).

## Chapter 2

### Methodology and Sources

The project was conducted in three distinct phases.

The first phase consisted of interviews with persons whom it was believed might have insight or experience in the operations of JTPs. Some of the interview subjects were initially reluctant to share information and spoke only on condition of anonymity. In order to protect the confidentiality of those who were interviewed, information cited from all interviewees will be referenced only in terms of the categories outlined below. Most of these interviews were conducted in person, although a few were conducted by telephone. A total of 40 interviews were held involving persons in the following categories:

Seventeen interviews took place with persons who had first-hand experience with JTPs (mostly owners or senior estimators with companies who have benefitted from JTPs) including some who have been involved in negotiating the terms and conditions of these programs. Two of these persons were involved only as "buyers" or "clients" who received bids knowing that JTP funds were being applied to their project.

Eleven interviews were conducted with persons who have been affected by JTPs. Most of these were with contractors who felt "victimized" by these funds in that they believed they would have been the successful bidder on specific projects, were it not for the impact of JTPs being applied to these projects.

Nine people interviewed were industry "insiders." These were people who held positions, usually within industry associations. Three of these persons were staff members of unions that operated JTPs.

Three interviews were held with members of union locals that operate JTPs. These interviews focused exclusively on the information provided to union members about the operation of these funds, both in written communication as well as in membership meetings where these funds were discussed and voted on.

The second phase of the project involved attempting to quantify the size of JTP funds. A survey (sample attached in Appendix A) was faxed to the national offices of various unions believed to be sponsoring JTPs; all locals of the IBEW (the union believed to be the most prominent and extensive user of JTPs); as well as to various employer associations who would be involved in the negotiation of this program. This survey netted a very limited response. The data, in combination with plan documents and other primary source material obtained through the

interview process, formed the basis for our conclusions about the size and operation of these various funds. As detailed in Chapter 5, we were provided access to internal company job estimate breakdowns for 18 separate bids (on eight different projects) which assisted us in measuring the impact of these funds on a microeconomic level.

In order to quantify aggregate size of JTP funds across the country, we used a variety of industry-summary data. While the variant methods of data collection for different jurisdictions are less than ideal, they provide an adequate basis for measuring the scope of the funds "within a ballpark." Obviously, a more precise estimate of the size of the funds would require better access to first-hand data and resources which go beyond the scope of this study and were not made available to us.

The third phase involved potential legal and public policy concerns as they affected the operation of the funds. A legal opinion was commissioned to address specific questions which had arisen regarding the tax treatment of JTPs. Some of the interviewees had commissioned legal opinions or had expertise as it related to specific issues.

Given that this study was motivated by the absence of research on JTPs in the Canadian setting, this report relies almost exclusively on the primary source material outlined above. A few secondary articles on JTPs in the United States and media reports on the subject were used as background material. These secondary sources are itemized in the bibliography.

In the course of our research, we had the opportunity to view first-hand documents relating to 32 funds. In some cases, copies of these documents were provided by interviewees and we were able to examine them carefully. In other cases, they were referred to during the interview process and we had the opportunity to only briefly examine them, with the interviewee declining to make a copy available. On the part of many, particularly those who were involved first-hand in the operation of the funds, the reluctance to share documentation is presumably in the belief that the absence of a "paper trail" better ensured a desired anonymity.

The purpose of the study is both to document the operation and extent of these funds in Canada and to review the various legal and public policy questions which have been raised. The observations made in Chapter 6 are based on our review of the legislation and jurisprudence which seems to apply to JTPs. They are based on the general pattern we observed as common features of JTPs, but are not intended to be a legal review or commentary on any specific JTP, the full details of which are obviously not available to us. These are included as areas that, in our opinion, deserve further attention and action by those affected or responsible.

## Chapter 3

### Historical Context

Job Targeting Programs have been a part of the construction industry for just over a decade. In the Canadian context, they appear under a variety of names including Market Enhancement Recovery Funds (MERF), Stabilization Funds, Industry Advancement Funds,<sup>2</sup> and variations of these monikers. For clarity within this paper, the term Job Targeting Program (JTP) will be used to describe these funds, except when reference is made to a specific fund in which case the actual name of the fund will be used.

Few will deny that the proportion of unionized construction work has declined significantly. In the United States, where JTPs have their origins, unionized construction work declined from 87.1 per cent in 1947 to 40.1 per cent in 1973 to only 17.7 per cent in 1995.<sup>3</sup> The provincial character of Canadian labour legislation make national trade union statistics somewhat misleading, however, the Canadian arms of the international craft unions, which are the most dominant construction unions, appear to feel similarly "under the gun." An independent Construction Industry Review Panel, appointed by the British Columbia government in 1995, indicated the following about that province in an interim report:

Although there is no truly accurate measure of market shares, a pronounced shift has taken place since the early 1980s when as much as eighty-five percent of nonresidential construction was performed by contractors under agreements with the building trades. Today, the trend has changed significantly with the majority of the market going to contractors who do not have agreements with the building trades.<sup>4</sup>

Unions have responded to this decline with a variety of tactics. In the United States, this response gained some profile as a package of tactics under the name Construction Organizing Membership Education and Training (COMET). COMET included "salting" of nonunion employers. Union

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<sup>2</sup> While some (e.g., International Brotherhood of Painters and Allied Trades Local 138) use the term Industry Advancement Fund for providing wage subsidies in order to gain work, this term more frequently refers to funds designated for advertising and promotional initiatives of a different sort than a wage subsidy.

<sup>3</sup> Data drawn from U.S. Bureau of Labor Statistics as cited in Herbert R. Northrup, "Construction Union Programs to Regain Jobs: Background and Overview," *Journal of Labour Research*, vol. XVIII, no. 1, Winter 1997, p. 1.

<sup>4</sup> Stephen Kelleher and Vincent Ready, *First Interim Report of the Construction Industry Review Panel*, February 7, 1996, p. 4.

members and organizers would apply for advertised job openings with nonunion contractors and would ensure that the employer was aware of their union sympathies. Job applicants would boldly write "volunteer union organizer" on the application form, display union buttons on clothing in the interview, and volunteer their union loyalty during the interview. Often, when such applicants were not hired, complaints of anti-union discrimination would be filed with the National Labor Relations Board.

The use of Project Agreements, affiliation clauses, and other "contractual" commitments also limit access for nonunion employers to work. These agreements, of course, are not new but have been used in the Canadian construction industry for over 30 years. In the Canadian context, the unique labour arrangements surrounding the construction of Highway 407 in Ontario and the Vancouver Island Highway Project in British Columbia are examples of how the traditional project agreement is being expanded.

Aggressive promotion campaigns highlighting the skill, safety, and training premium that the unionized sector claims over the nonunion sector have also been undertaken. These campaigns promote the notion that quality workmanship can only be achieved through BTC craft unions. In some cases, government-sponsored public training and apprenticeship programs have become identified with BTC union structures through the unions' domination of bipartite governing boards.

This paper focuses only on one tactic which fits into this array, namely, Job Targeting Programs (which are fully described in Chapter 4). While we will focus on JTPs and the issues that surround its usage, the purpose of JTPs cannot be understood in isolation from these other tactics.

Unions in the construction industry are different from most other unions. Firms must have access, in a timely manner, to groups of skilled workers that perform significant roles in completing a particular project. Often, many workers are required on site for a relatively short period of time. The result, predictably, is that usually the same workers move from construction project to construction project, working for many different employers in the process. Hence, unlike in an industrial setting where the relationship between an employee and an employer is defined and understood to have some degree of permanence, the relationship between many construction workers and their employer is understood to be of a short-term duration. As a result, unions have played a more significant role and union hiring halls have become the common means of dispatching workers with the required skills.

This has obvious implications as it relates to the philosophy and practice of trade union representation. Whereas the legitimacy of trade unions as the representative collective voice of workers is acquired through various expressions of democratic support (certification votes, ratification, election of union officers), the focus in construction is not so much representation but rather controlling the skilled labour pool. Workers are viewed not in the context of their relationship with their employers, but rather as part of their trade or craft (guild). Within this framework, the notion of "controlling" the workforce becomes paramount. Through the hiring hall, the union can ensure that the workforce remains loyal to the union, since it is the union that

provides access to work. It is not a surprising consequence of this system that given the natural self-interest of any organization to expand its influence, a monopolistic mindset is established. The unions end up considering the entire industry as rightly "belonging" to them.

The IBEW, for example, makes very clear that the purpose of its tactics is the achievement not just of a greater market share, but of basic control of the market—workers, employers, and the users of their services. A 1990 publication by its Special Projects Department states:

The Goal, then, in union organization of the construction industry is the organization and maintenance of a loose monopoly of the manpower pool.<sup>5</sup>

The various tactics, including JTPs, are designed to work in combination so as to limit the available work to contractors affiliated with the particular union. As unionized contractors do an increasing share of the work, trades persons by necessity become members of these unions. A BTC union has significant leverage over its membership since access to work is initially obtained through the hiring hall. The union's administration of the health benefit and retirement programs are perceived by many to be a further means of union control. Similarly, the use of internal union discipline against union members is a real threat to those who step "out-of-line." This may include fines—sometimes totalling thousands of dollars—or being taken off the hiring hall list so that they are no longer able to access work.

It is clear how, at least in theory, all of these measures can work together to help a union establish an effective monopoly control of the skilled labour market. Contractors trying to work outside of the union agreement will find it difficult to access work, as it will either be contractually "off-limits" by virtue of project agreements, or be uneconomical because of a JTP subsidy available to their unionized competitors. Since these firms are being targeted for union organization, a tactic often used simultaneously is to create incidents that can be the subject of unfair labour practice charges. As these are filed, companies are forced to increase the hours for their most expensive employee: their lawyer. As this persists over time, an increasing proportion of the skilled workforce become union members and so, even if nonunion contractors succeed in winning a contract, their access to a competent workforce is diminished. The goal is to achieve an effective union monopoly and market dominance. As these arrangements are formalized, the difficulty in attracting skilled labour and the obstacles to obtaining work raise the entry barriers for non-BTC-affiliated companies attempting to enter the market.

But does the theory work in practice? In particular, can market dominance be achieved quickly enough in order to withstand the inevitable internal union political pressure against JTPs, which rely on members foregoing present wages in order to fund the program?

In the United States, the most active practitioner of JTPs, the IBEW, officially withdrew support for JTPs as a national program, although some locals continue to operate their JTPs. The official

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<sup>5</sup> Quoted in Northrup, *Ibid.*, p. 7. Bold in original.



reason given for this policy reversal was that JTPs are "found to depress wages, particularly on government-funded construction."<sup>6</sup> Apart from the official explanation, some perceive that the reason for the IBEW abandonment of JTPs had to do with "rumblings among the rank and file about deductions from their paychecks especially as the construction industry became more prosperous in the mid-1990s. The most significant reason, however, was probably the legal attack on the process. Two courts of appeal have held that job targeting violates the Copeland Anti-Kickback Act which prohibits federal contractors from requiring employees to kickback wages. Thus job targeting is illegal where wages are set by the federal Davis-Bacon (prevailing wage) law."<sup>7</sup> There have also been unsuccessful attempts to litigate JTPs on antitrust grounds and there are other potential litigation options which may be pursued in the U.S.

As noted in Chapter 1, the understanding of JTPs, their effectiveness, and the potential legal pitfalls have not been thoroughly examined in the Canadian setting. While the earliest Canadian reference to JTPs that we found was a program initiated in 1984 by the Sheetmetal Workers Local in Kitchener, most JTPs appear to have begun in the late 1980s or the early 1990s. JTPs were generally viewed as a targeted wage reduction in response to market conditions. It was presumed that their life expectancy would be relatively short. Although various inquiries were made and legal opinions sought on aspects of JTPs, there has been no serious known attempt to challenge the legality of JTPs in Canada as there was in the United States.

There is another unique characteristic of the Canadian scene that warrants comment as pertinent background information. The tactics described are premised on a division of the construction sector into union and nonunion segments. Within certain Canadian jurisdictions, however, the presence of alternative unions in the construction sector complicates matters. While their overall numbers appear relatively minor, there are certain subsectors in which alternative unions have achieved a significant market share.

The origins and practices of these unions vary widely, so as to prevent a single description, but one thing they have in common is a "wall-to-wall" or "all-employee" method of organizing. This has called into question, also within the more traditional craft unions, the effectiveness of craft organization and the attendant costs of jurisdictional disputes and other inefficiencies.

A full discussion of the various questions surrounding work organization go beyond the scope of this study, however, it is important to note that the active presence of alternative unions provides a second pool of skilled labour and makes the achievement of monopoly control of the labour market more difficult to achieve. As far as JTPs are concerned, these noncraft unions and their respective contractors have generally been treated in the same fashion as nonunion competition.

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<sup>6</sup> Northrup, *Ibid.*, p. 8.

<sup>7</sup> Northrup, *Ibid.*, p. 9.

## Chapter 4

### The Operation of a JTP

In the course of our research, we had opportunity to review first hand documents relating to more than 30 JTP funds. While there are minor variations between the funds, most of these are administrative in nature. Essentially, JTPs operate in a similar manner across unions that use them and in different regions of the country.

#### 4.1 Establishment

JTP funds are usually proposed by unions at a time when their share of the market is declining. JTPs are generally presented as one part of a multifaceted approach to regain market share. For example, an IBEW Local 213 letter sent January 29, 1992 to its membership asked support for a five-part Market Recovery Program.

The program would take a five-pronged approach:

- ▶ A joint IBEW/CLRA advertising campaign in all media except TV to make the public aware of the advantages of [IBEW] unionized electrical construction. Campaign to be funded by the contractors but union heavily involved in developing messages and deciding what information goes to whom.
- ▶ Joint IBEW/CLRA lobbying of the provincial government to bring about changes to government legislation, policy and practice that is biased against unions.
- ▶ A job targeting program (JTP) under the control of the union to create a fund to help [BTC] union companies out bid non[-BTC] competition.
- ▶ Continued apprenticeship, training, and upgrading programs to ensure unionized electricians remain the best qualified in their field.
- ▶ A vigorous organizing drive to increase IBEW membership, with business representatives approaching nonunion contractors as well as nonorganized wiremen.<sup>8</sup>

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<sup>8</sup> A copy of the complete letter sent by Local 213 is attached as Appendix B.

Most locals establishing a JTP embarked on a program of membership education on the virtues of the program. Typically, this involved including articles about the effectiveness of the program in their regular membership newsletter or a special mailing.<sup>9</sup> These mailings often emphasized the "return on investment," the relatively low "cost" to members involved in establishing these funds, and their effectiveness in regaining market share so they would only be required in the short term. IBEW Local 213 is the only example we observed where a research company was hired to poll the membership prior to introducing a JTP.

Interviews conducted with union members indicate that the rank and file union membership were generally skeptical about JTPs during membership meetings. Those most outspoken were union members employed in more secure union settings who perceived themselves as only contributors and not beneficiaries of the funds. It appears that the meetings ratifying these programs were attended disproportionately by union members who did not have regular work. In the words of one member we interviewed: "The guys at the hall carried the day. Those of us working figured this would only be another fund for [the Local Business Manager] to play with, but what could we do? Shut up, be glad we were working, and keep paying."

From the interviews, it appears that the introduction of a JTP program was ratified by the membership in the same manner as other collective agreement matters were usually dealt with in the local. The only exception to this practice is one local where it is reported that the business agent has the discretion to transfer amounts between wages and the JTP fund within a predetermined range. Apparently, the local sends employers a directive, triggered by the balance of the fund, that for next month, for example, an extra 25 cents per hour is required for the fund and therefore should be deducted from wages. We were unable to obtain a copy of any such directive, and note that the practice in this local appears to be an aberration from that described to us by all other interviewees.

## 4.2 Governance

The establishment and governance of these plans are formalized in a section in the collective agreement, a letter of understanding, or through a separate plan document.<sup>10</sup> Interviews with employer representatives involved in negotiating JTP funds indicate that usually the initial proposals had employer representatives involved as trustees in the administration of the funds. In most cases, employers declined such participation out of concerns for legal liability that might ensue and the conflicts that would arise in determining subsidy levels for specific jobs. Where employers are involved as trustees, it appears that their role is limited to receiving periodic

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<sup>9</sup> A copy of a newsletter sent by IBEW Local 773 dated February 28, 1986 is attached as Appendix C.

<sup>10</sup> Sample collective agreement language is included in Appendix D.

## Chapter 4

### The Operation of a JTP

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Most locals establishing a JTP embarked on a program of membership education on the virtues of the program. Typically, this involved including articles about the effectiveness of the program in their regular membership newsletter or a special mailing.<sup>9</sup> These mailings often emphasized the "return on investment," the relatively low "cost" to members involved in establishing these funds, and their effectiveness in regaining market share so they would only be required in the short term. IBEW Local 213 is the only example we observed where a research company was hired to poll the membership prior to introducing a JTP.

Interviews conducted with union members indicate that the rank and file union membership were generally skeptical about JTPs during membership meetings. Those most outspoken were union members employed in more secure union settings who perceived themselves as only contributors and not beneficiaries of the funds. It appears that the meetings ratifying these programs were attended disproportionately by union members who did not have regular work. In the words of one member we interviewed: "The guys at the hall carried the day. Those of us working figured this would only be another fund for [the Local Business Manager] to play with, but what could we do? Shut up, be glad we were working, and keep paying."

From the interviews, it appears that the introduction of a JTP program was ratified by the membership in the same manner as other collective agreement matters were usually dealt with in the local. The only exception to this practice is one local where it is reported that the business agent has the discretion to transfer amounts between wages and the JTP fund within a predetermined range. Apparently, the local sends employers a directive, triggered by the balance of the fund, that for next month, for example, an extra 25 cents per hour is required for the fund and therefore should be deducted from wages. We were unable to obtain a copy of any such directive, and note that the practice in this local appears to be an aberration from that described to us by all other interviewees.

## 4.2 Governance

The establishment and governance of these plans are formalized in a section in the collective agreement, a letter of understanding, or through a separate plan document.<sup>10</sup> Interviews with employer representatives involved in negotiating JTP funds indicate that usually the initial proposals had employer representatives involved as trustees in the administration of the funds. In most cases, employers declined such participation out of concerns for legal liability that might ensue and the conflicts that would arise in determining subsidy levels for specific jobs. Where employers are involved as trustees, it appears that their role is limited to receiving periodic

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<sup>9</sup> A copy of a newsletter sent by IBEW Local 773 dated February 28, 1986 is attached as Appendix C.

<sup>10</sup> Sample collective agreement language is included in Appendix D.

financial statements on the activities of the JTP and other "after-the-fact" discussions about the effectiveness of the fund. The exception to this appears to be in Alberta where the Electrical Contractors Association of Alberta administers and coordinates applications for funding from the fund.<sup>11</sup> In general, however, employer representatives prefer having no involvement in the administration of the JTP.

This concern about employer liability seems to be supported by the fact that virtually every plan document we examined included clauses limiting liability for employers, but no similar clauses act to limit liability for the union.

### **4.3 Remittances**

Invariably, contributions to the fund are collected and sent by the employer to the union. In some cases, the funds are collected only for hours worked at a full journeyman rate, with workers below that rate not required to contribute (e.g., apprentices). In other cases, the calculation of the JTP is done as a percentage of wages and is collected on all hours worked under the union contract.

There are two distinct methods of funding which appear to be operative.

The first method is where the employee is paid a wage and then has the amount of the JTP assessment deducted from his wage. The JTP is considered and receipted to the member as "union dues" on the member's T-4 slip. The motive for this is obvious as union dues (including the JTP amount) are deducted from gross wages prior to the calculation of payable income tax, and therefore are effectively exempt of taxation for the contributing member.

The second method involves the employer contributing the JTP money directly to the union, in the same manner as remittances for other union funds are made. In these cases, it appears that the amount is often treated as a taxable benefit and therefore taxes are deducted from the employee for this amount, however, the evidence received from the interviewees is inconsistent and inconclusive as to the actual practice on this matter.

### **4.4 Project Selection**

The process of applying JTP funds to a particular project is usually initiated by contractors bidding that project. Most funds have a form<sup>12</sup> for the contractor to indicate particulars of the job, including estimated number of man-hours and the identity of nonunion competition against

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<sup>11</sup> The letter of understanding between the ECAA and the IBEW is included in Appendix E.

<sup>12</sup> Sample form included in Appendix F.

whom the contractor expects to be bidding. Timelines vary, however, in most cases the deadline for application ranged between a week to 24 hours before the close of bidding.

Usually a decision about whether funding will be awarded to a particular project is made the morning of the bid close. The decision is communicated to the contractors by telephone and is usually followed up with a confirming fax.

The exact nature of the funding amounts varies by plan. The following conditions appear to be constant throughout all of the plans we examined:

- ▶ Only contractors who applied for the funding are eligible. There were cases we looked at where evidently some unionized contractors bidding a particular job applied for JTP funding, while others did not.
- ▶ The criteria applied to an application was extremely fluid. Significant factors that appear to affect awards were the amount of funds available; the number of union members unemployed (some funds are alleged to make subsidy awards putting themselves "in the red" in order to keep all workers eligible for Employment Insurance at all times); the profile of the job being targeted (jobs in visible locations or likely to attract public attention would be awarded more significant subsidies than larger jobs which were lower profile); the identity of contractors bidding the work (it is perceived that certain non-BTC contractors are more likely to attract subsidy money against them than others); and the identity of the project owner or location (jobs that provide union access to nonunion workforces which the union has targeted may receive extra subsidies so as to "guarantee" union access to the job.)

The calculation of the amount of funding varies among the plans. The variations we observed included:

- ▶ The plan awards JTP monies based on each contractor's estimate of hours and applies a set dollar per hour subsidy to that estimate. This process appears to encourage contractors to "high-ball" their estimates so as to ensure that all hours on the job receive the subsidy, since their estimate acts as a cap on the subsidy amount made available.
- ▶ Some plans award JTP monies based on the average estimates of man-hours received for a project by applying contractors. Some interviewees expressed concern about this system in that competing contractors learn, prior to the bid closing, where their estimate of man-hours stands relative to their competitors for that job and this may lead to some last-minute alterations of the bid based on that information.
- ▶ Some plans require contractors to estimate not only their total man-hours, but also the subsidy necessary to acquire the work. Contractors working under such a system indicate concerns that the amounts in their application acts as a cap on the subsidy that may be granted, and that the subsidy made available to competing contractors may vary. This concern is heightened in that the full request is not always granted, and it is unknown what



criteria is applied to determine the level of subsidy. Anecdotally, it can be observed that contractors working under this system were far more likely to suggest in their interviews with us that JTP funds were applied unevenly so as to provide certain union contractors with competitive advantages.

- ▶ Some plans simply award a fixed dollar amount to a project, using the information provided as a basis to determine that amount.

#### **4.5 Conditions Attached to Funding**

In general, the application of JTP funds to a project appears to result in a much higher degree of union "policing" of a job. Particular attention is paid to who is on the job. Contractors perceive that assignments from the hiring hall to particular projects are based in part on internal union political considerations and that the caliber of trades persons assigned to subsidized jobs are lower than the contractor generally receives from the hiring hall.

In some locals, it appears that different ratios are used for employer "name hires" on subsidized jobs. In locals where the employer can have one "name hire" (i.e., select by name any union member on the hiring hall list, regardless of their seniority ranking) for every worker assigned to the job by the union, on subsidized jobs the ratio can change to one "name-hire" for every three referrals. The application of these conditions appears to be limited to particular locals and cannot be said to be a general characteristic of these funds across the country.

#### **4.6 Payouts**

The process for administering the fund and payouts to contractors obviously varies in part with the method used to calculate the subsidy amount.

Funds that award subsidies on a per hour basis generally require more extensive reporting than do programs that make fixed subsidies. Some funds have separate forms<sup>13</sup> which replicate a time sheet and require each employee on the job to sign, verifying that they actually worked the hours on the targeted job. These forms are remitted on a weekly basis.

Other locals simply have contractors invoice the fund on a monthly basis for hours worked on subsidized jobs. These locals incorporate into their agreement a clause empowering the trustees of the fund to audit employers to verify hours worked.

Contractors report that subsidies are paid out usually within 30 days of the invoice to the fund. A

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<sup>13</sup> See Appendix G for sample.

few report waiting as long as six months to receive their subsidy, however, this was attributed to the lack of available JTP funds. Many of the funds examined appear to be operating at a near zero balance, with subsidy awards matching revenues, and hence certain funds appear to have significant cash flow difficulties from time to time.

## 4.7 Reporting

The day-to-day administration of most JTPs appears to be the responsibility of the union. As indicated in Section 4.3, some have joint trusteeship with management representatives and financial reports as well as general policy decisions made by trustees.

In terms of reporting to the membership, most locals appear to provide verbal reports on the program to their membership at membership meetings. Typical of these requirements is the motion passed by International Brotherhood of Painters and Allied Trades Local 138 requiring

that the Business Manager shall make a quarterly report of the Local #138's Painting Industry Advancement Fund, including an accounting of its assets, number of jobs targeted, and man-hours worked under the Fund to the Executive Board and the membership.

The most extensive reporting in programs we examined is done by IBEW Local 213, which includes in its newsletter summary financial information.<sup>14</sup> It has also provided a complete list of subsidized jobs to its membership.<sup>15</sup>

A similar list of projects was provided by U.A. Local 488 to its membership in a mailing dated February 28, 1997. It appears from the cover letter, however, that this mailing was in response to membership requests rather than a systematic reporting concern.<sup>16</sup>

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<sup>14</sup> Included as Appendix H.

<sup>15</sup> Included as Appendix I.

<sup>16</sup> Included as Appendix J.

## **Chapter 5**

### **Impact and Effectiveness of JTPs**

JTPs generally are consistent with respect to their structure and administration, but their impact and effect is not as uniform. Estimates given to us regarding the normal subsidy amounts required to successfully win work ranged from \$1.50 per hour to almost \$20 per hour.

Given the range of factors which may be relevant in determining the economics of a specific JTP, it is beyond our scope to attempt to create a model that adequately deals with all of these factors. Instead, we have looked at several specific jobs that were the targets of JTPs in an attempt to understand the impact at a microeconomic level, while using industry summary data to achieve a sense of the magnitude of JTPs and their operation, relative to the construction industry as a whole. The selection of the specific projects was determined by the data availability from various sources to allow for cross-verification, and no claims of representativeness are made in terms of these examples.

#### **5.1 Impact of JTPs at the Project Level**

In order to better illustrate the effects of JTPs on specific projects, we identified several projects that we believe had been targeted. We requested various unsuccessful bidders to share with us the details and breakdown of their bid in order to allow us to better estimate the level of subsidy that would likely have been required in order for the successful contractor to win the job. In total, we reviewed the details and breakdown of 18 separate bids prepared for eight different projects. The size of the projects ranged from 3,860 to 10,000 man hours and were all in the electrical field.

The data provided varied in its format and detail making total comparisons difficult. However, we were able to isolate all nonlabour costs, estimated hours, and bid totals for each tender with an acceptable degree of certainty.

	<b>Successful Tender Price for Electrical</b>	<b><sup>a</sup>Nonlabour Costs</b>	<b><sup>b</sup>Estimated Hours</b>	<b><sup>c</sup>Cost Per Man Hour</b>	<b><sup>d</sup>Subsidy Required</b>
Kinsmen Twin Arena (Edmonton, Dec. 16/96)	\$327,000	\$255,000 (12.9%)	\$4,385 (0.02%)	\$26.07+\$2.61	\$12.25
Royal Arch Masonic Temple (Burnaby, Sept. 5/97)	\$910,000	\$643,760 (3.8%)	\$7,400 (3%)	\$35.28 +\$3.52	\$7.11
South Secondary School (London, June 1995)	\$579,000	\$446,448 (2.9%)	\$6,500 (0%)	\$35.12+\$3.46	\$18.20
Average					\$12.52

<sup>a</sup>The lowest of the nonlabour costs estimates is included here and used for calculations, with the variance between the highest and lowest estimates examined expressed as a percentage in parentheses.

<sup>b</sup>The lowest of the man hour estimates is included here and used for calculations, while the range between the highest and lowest estimates examined is expressed as a percentage in parentheses.

<sup>c</sup>The first number reflects the contractual commitments per hour while the second reflects the statutory costs estimated at 10%. Actual contract costs were calculated for the Ontario example including employer costs for WCB, EI, CPP, EHT and it came to 9.8% of contract costs.

<sup>d</sup>The calculation of the subsidy required is based on the assumption that the successful contractor's nonlabour costs matched the lowest estimate from among his competitors. That cost was subtracted from his tender price and divided by the low manhour estimate to come up with an hourly cost. That subtotal was subtracted from his estimated hourly cost in order to reach the estimated subsidy total. It should be noted that these estimates do not make any allowance for overhead or margins on the job the inclusion of which would only increase the subsidy.

The March 1997 newsletter of IBEW 213 reports 1,755,873 "successful bid hours" and that the total funds paid out amount to \$9,777,499.09 with \$1,824,913.13 still to be paid out. That works out to \$6.61 average payout per hour over the life of the program since its inception in 1992. A similar calculation on the numbers provided in the September 1993 newsletter shows a \$7.15 per hour average payout.

The amounts paid by JTPs in the electrical and piledriving sectors are considerably higher than reported by other sectors. One contractor, certified with a UA local (plumbers and piperfitters), prepared a spreadsheet showing 12 jobs for which he had received JTP funds. They averaged \$1.97 per hour. In other interviews, we learned of contractors receiving between \$4.00 to \$5.00 from the same local.

While significant divergence in the amounts paid out makes sense when considered over a period of time, in some locals this wide variation appears from job to job. According to one of our interviewees who reports receiving JTP support for "a significant portion" of the major project work done over the past few years by his large (over 200 employees) mechanical firm: "Rates just keep going up and down, without a clear rhyme or reason. Sometimes I just think it's to keep us off-guard." According to this employer's suspicions, it is not simply economic considerations that drive the decision. "If the union [decides to target] a certain nonunion contractor, watch out. The sky's the limit. . . . There was one job in ——— that was subsidized to the tune of \$19 per hour. It was an industrial job with a pile of labour. They did it to prove a point—you know what I mean? They wanted to put their boys to work on a plant that was nonunion for too long."

Apparently, any given job can be "bought" with a JTP subsidy, and the evidence is quite clear that certain subsidies go well beyond "leveling the playing field" with nonunion compensation levels.

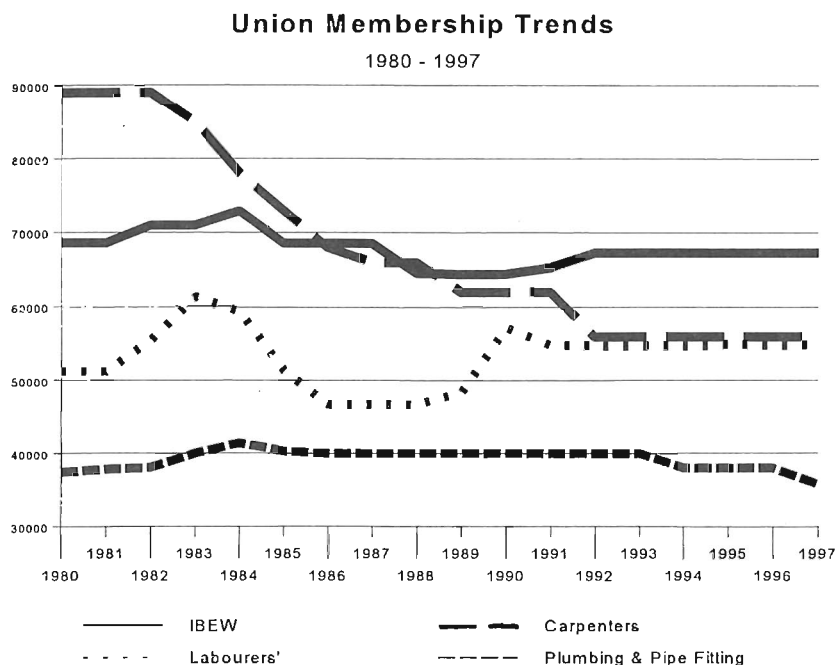
## 5.2 JTPs and Their Effects on Union Market Share

The anecdotal evidence gathered through the interviews seems to suggest mixed results. While the affected non-BTC union contractors we interviewed certainly were ready with a list of jobs they believed had been "lost" to JTPs, most of them were operating at a similar level as they were when JTPs were introduced in their area. The common threads in their explanations for this were a streamlining of their own operations (whether this should be attributed as a response to JTPs is doubtful, as the characteristics of limited wage increases, elimination of middle management, and lessening of overhead are common themes of the 1990s, with or without JTPs); the acceptance of wage concessions on the part of their workforce; and a movement toward niche markets that were not as affected by JTPs. It was noted that certain contractors have been driven out of business, but again JTPs were rarely cited as the most dominant factor.

From the perspective of those directly involved, the responses to questions about effectiveness were also mixed. Generally, employers who were benefitting from JTPs tended to see them as a defensive measure in order to keep a share of the market but were not optimistic about significant increases in the union market share. "We've got to have ways to be competitive in terms of our wages, and this is a lot better than project agreements, where there's all sorts of bickering as to who gets on what job. It's the only way we'll get work until things turn around." In short, a union operating with a JTP causes an effective lowering of that union's members' wage rate.

We made some efforts to compare the membership trends of the total reported annual membership<sup>17</sup> for unions that are prominent users of JTPs with those that do not use them.

<sup>17</sup> Data drawn from yearly *Directory of Labour Organizations in Canada*, published currently by the Workplace Information Directorate of Human Resources Development Canada and previously by Labour Canada.



It seems that the trend lines for unions with JTPs (the IBEW and Plumbing & Pipefitting) are marginally affected by the introduction of JTPs. (The IBEW began introducing these programs in the period 1988-1992 whereas the U.A. locals generally introduced JTPs in the period 1992-1994.) This could be interpreted to suggest that they were better able to maintain their membership during a period of union membership decline in the construction industry (from 61.1 per cent in 1977 to 50.3 per cent in 1987). We caution, however, that not too much should be read into these numbers as we cannot satisfactorily isolate JTPs as a single variable with the available data in order to draw conclusions. At best, it can be said that on the surface, the data does not appear to contradict the anecdotal evidence we gathered.

### 5.3 Overall Economic Impacts of JTPs

While JTPs cannot be said to have noticeably affected the unionized market share, beyond a defensive preventing of further losses, the impact of JTPs should not be minimized. As already observed, the subsidies on jobs can routinely amount to 20 per cent of the labour costs, with some jobs receiving subsidies of over 50 per cent of the labour costs.

It is beyond the capacity of this study to measure the volume of JTPs as this requires data that is not readily available. As outlined in Appendix K, we can reasonably estimate that the cumulative effects of JTPs amount to over \$100 million per year. When this money is applied within certain subsectors for reasons that are not purely economic and in a manner that affects some economic players differently than others, the effects of JTPs must be described as significant, even though the extent is difficult to measure.

## Chapter 6

### Issues Raised by the Use of JTPs

In the absence of reliable documentation, various theories have circulated regarding JTPs. Many of those we interviewed, even several who had first-hand and direct involvement in JTPs, expressed concern that JTPs somehow exposed those involved to some legal risk. In this section, we review some of the concerns that were expressed and attempt to establish whether there is any basis for these concerns. *It should be emphasized that the comments in this section are made with regard to the general pattern of JTPs. Opinions expressed regarding particular legal issues are intended as a general comment, and are not made with regard to any specific JTP or specific local circumstance, the full facts of which are obviously not available to us.*

#### 6.1 Cross-Sectoral Subsidy

It appears to us that the JTPs that were generally described as being most successful were by locals that have a substantial proportion of their membership employed in "secure union" environments. Most frequently, this is the industrial sector which is relatively insulated from nonunion competition. It is the steady work generated in these settings that provides the basis for contributions to the JTP which enables it to buy a significant enough share of the work in other sectors. In the electrical and mechanical sectors, it is evident from almost all of our interviews that the industrial sector serves as the financial basis for the program, enabling work to be "bought" in the institutional and commercial sectors. In order to test this assumption, we reviewed the list of jobs that IBEW 213 provided to its members (Appendix H) and categorized them. It appears that just over 10 per cent of the hours subsidized would be in the industrial sector (29,268 of 253,874) with the large majority of targeted jobs being institutional or commercial work.

In practical terms, this means owners in the industrial sector are paying a premium that is being collected and transferred, via JTPs, to commercial and institutional project owners.

#### 6.2 Implications for Bidding Process

As a general observation, it seems that the "owner community"—those who are the buyers of construction services—have not paid a great deal of attention to JTPs until very recently. One owner who was interviewed indicated that he had no idea about JTPs until 1996 when he tendered the construction of two identical projects three months apart. When the bids were



returned 12 per cent lower on the second project, his investigation discovered that the presence of a nonunion bidder on the second job had attracted JTP funds to his project. "I never paid attention to the union affiliations of contractors before, but you can bet that there will be a nonunion bidder on every project I tender from this point forward."

This response is predictable as the operations of JTPs become better understood within the owner community. We were told of various conscious initiatives on the part of owners and the "non-union" contractors to arrange the bidding process in a fashion likely to attract JTP funds. There is some evidence that owners actively solicit and encourage the bids of nonunion contractors. There are informal arrangements that result in some nonunion contractors receiving preference for untendered maintenance jobs in consideration for the costs associated with preparing estimates on major projects. Nonunion contractors predictably are becoming frustrated with the cost of preparing bids on jobs that they know will be targeted, but continue to do so in order to ensure that JTP funds are applied and the fund is weakened. While those asked denied any formal arrangements between nonunion competitors, they admitted watching to make sure that "at least one of [names of three competing nonunion firms] bids every job. It's straight economics. We have to keep driving that fund down if we're going to survive."

The concept of cooperative efforts between those contractors targeted by JTPs is one that has been considered by many affected contractors. In at least one case, a contractor contemplated approaching competitors to discuss jointly hiring an estimator for the express purpose of bidding everything possible and draining the JTP fund in their area. He indicated that he did not follow through with the idea after realizing the requisite trust did not exist between the competitors to make such an arrangement feasible, and upon being advised that such an activity might run afoul of laws regarding collusive activity. "Not that it makes any sense for it to be collusion for us to work together to fight a fund that is established by another group of contractors working together to put us out of business, but I guess to understand those things, you need to be a lawyer. I'm just a contractor."

## 6.4 Competition Act

There seemed almost an intuitive concern on the part of many that JTPs operate in the "grey zone" as far as competition laws are concerned. Interestingly, many interviewees used words like "arrangement," "kickback," or "scheme" in describing JTPs. They would often correct themselves, usually suggesting that words like "program" or "subsidy" would be more appropriate. What made these word choices so noticeable is that they were often accompanied by an explanation—"I guess that word doesn't sound very proper, does it?"—as well as expressions of unease about JTPs.

Curiously, none of interviewees reported checking their suspicions beyond casual conversations with legal counsel. "I figured the union and [employer association] had done their homework and besides, who would have the resources to take us on in court? My lawyer tells me this is pretty

complicated and expensive litigation for anyone to take on and it would be [the union and association leadership] with their necks on the line, not mine. I spend enough money on lawyers."

The practice does not seem to fit neatly into any known offence under Canada's *Competition Act*. Section 45 (1) provides for penalties against

Every one who conspires, combines, agrees, or arranges with another person

(a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any product,

(b) to prevent, limit, or lessen, unduly, the manufacture or production of a product or to enhance unreasonably the price thereof,

(c) to prevent or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation, or supply of a product, or in the price of insurance on persons or property, or

(d) to otherwise restrain or injure competition unduly.

Without any precedents to guide the interpretations of terms like "limit unduly" or "enhance unreasonably" within a similar context, it is difficult to arrive at meaningful conclusions. If issues surrounding a particular JTP were to be litigated under this section, it would require a level of proof "beyond a reasonable doubt."

The provisions of the *Competition Act* also empower the Competition Tribunal to review certain practices and "to make an order directing any or all the persons against whom an order is sought to take such actions . . . as are reasonable and as are necessary to overcome the effects of the practice in that market."<sup>18</sup> and is another area that might be considered.

Among the matters that the Tribunal can deal with is the *abuse of dominant position*. The matter is outlined in Section 78 where nine "for instances" are listed as examples of anti-competitive abusive dominance. A brochure put out by the Competition Bureau describes these provisions as follows:

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<sup>18</sup> Section 79 (2).

The abuse of dominant position sections of the *Competition Act* may apply when three conditions are met. These are:

- ▶ the dominant firm or firms must have **market power**—a market share of less than 35% by the dominant firm in a particular product and geographic market would likely indicate that the company does not have market power. Market share is only one factor that affects market power. Other relevant factors include the existence of barriers to entry such as tariffs or government regulations that limit competition; a lack of substitute products; not enough possible competitors; or a low level of innovation in the industry.
- ▶ the dominant firm or firms engage in **anti-competitive acts**—business practices that are intended to reduce competition. These practices can include buying up a competitor’s customers or suppliers; the use of “fighting brands” to discipline or keep out competitors; cutting off essential supplies to rival companies; use of long term contracts to stop customers from changing suppliers; and overstepping authority granted by intellectual property rights such as trade marks and patents.
- ▶ the anti-competitive acts have **substantially lessened competition**, or are likely to do so. This can happen when anti-competitive acts prevent such things as a rival’s entry into a market, potential competition, product innovation, and lower prices.

The *Competition Act’s* abuse of dominance provisions do not penalize a company that has captured a dominant share of the market because of its better performance.<sup>19</sup>

It appears quite clear that the intent and operation of JTPs are such that warrant further investigation under these provisions. There is, however, some question as to whether the Competition Act applies to JTPs. This arises out of Section 4 of the Act which exempts collective bargaining activities from these provisions.

4. (1) Nothing in the *Act* applies in respect of

(a) combinations or activities of workmen or employees for their own reasonable protection as such workmen or employees:

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<sup>19</sup> Minister of Public Works and Government Services Canada, *You, Your Business and the Competition Act: When a Company Abuses its Dominant Position*, cat. no. RG52-29/6-1996.

(b) contracts, agreements, or arrangements between or among fishermen or associations of fishermen and persons or associations of persons engaged in the buying or processing of fish relating to the prices, remuneration, or other like conditions under which fish will be caught and supplied to those persons by fishermen; or

(c) contracts, agreements, or arrangements between or among two or more employers in a trade, industry, or profession, whether effected directly between or among the employers or through the instrumentality of a corporation or association of which the employers are members, pertaining to collective bargaining with their employees in respect of salary or wages and terms or conditions of employment.

(2) Nothing in this section exempts from the application of any provision of this Act a contract, agreement, or arrangement entered into by an employer to withhold any product from any person, or to refrain from acquiring from any person any product other than the services of workmen or employees.

While there is no jurisprudence to guide the interpretation as this has never been tested, there are some legally trained observers who advised us that this may not be the barrier that it appears to be. Arguments could be made as to whether JTPs should be considered under collective bargaining, given that their effect is to arrange for the transfer of funds between employers through the union. There are reportedly interpretations of similar legislative provisions that have been given a similar, more narrow interpretation by the courts. Any attempts to pursue JTPs under the *Competition Act* are certain to encounter significant debate on this question.

In the absence of Canadian jurisprudence, a summary of U.S. litigation on JTPs may be helpful. The United States Department of Labor's Wage Appeal Board determined that wages withheld for JTPs would not be considered union membership dues and that the JTP violated the fair wage legislation (*Davis-Bacon Act*) in that the "net wage cost" for the employer was lower than required. Unions and employers involved in JTPs unsuccessfully appealed these decisions in the courts.<sup>20</sup>

While the issues before the court were different, some of the findings of the Wage Tribunal, upheld by the court, are relevant. In finding that JTP contributions should not be allowed to be

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<sup>20</sup> 815 F. Supp 484. *Building and Construction Trades Department, AFL-CIO et al Plaintiffs, vs. Robert B. Reich, United States Secretary of Labor, Defendant* in the United States District Court, District of Columbia, Feb. 23, 1993.

deducted as union dues, the court affirmed the decisions that "the programs are not 'union dues' as that term is ordinarily understood" and that "the funds collected are unnecessary to performing the duties of an exclusive representative of the employees in dealing with the employer on labor-management issues." The court found that JTPs could not be considered union dues because the programs exist for the benefit of the contractors making the deductions (p. 5). In a subsequent case, IBEW Local 357 filed a suit against 11 members of other locals who worked within Local 357's jurisdiction and refused to pay the two per cent JTP levy. The United States Court of Appeal held that they could not collect, as these funds were not union dues.<sup>21</sup> There was an attempt in the U.S. to have JTPs invalidated on anti-trust grounds. This was unsuccessful for several reasons, including the application of a labor exemption clause.

While the United States precedents have dealt with some of the issues that would be under consideration in any attempt to have JTPs dealt with under Canadian competition laws, there are substantial differences which distinguish the jurisdictions.

In summary, the Section 4 exemption for collective bargaining activities in Canada's *Competition Act*, together with the American precedent, casts some doubt as to whether JTPs could be successfully challenged under the abusive dominance provisions of the *Act*. It does appear, however, that the effect of JTPs could be an abuse of dominant position for which remedial orders could be provided. It would take considerably more investigation of local circumstances as well as the legal issues involved to make more conclusive recommendations on the viability of legal action under this section.

## 6.5 Taxation Treatment

Probably the most vigorously debated matter relating to JTPs in Canada has been their appropriate tax treatment. The Independent Contractors and Businesses Association in British Columbia received and publicized an opinion it received from Revenue Canada in 1992 indicating that JTP deductions ought not to be considered union dues for taxation purposes. The IBEW commissioned a legal opinion from Gregory Mullaly which was circulated to counter this.<sup>22</sup> A request was made that Revenue Canada make a binding ruling on the matter, which they declined to do.<sup>23</sup>

We commissioned the firm Blaney McMurtry Stapells Friedman to review the issue in the

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<sup>21</sup> 68F.3d 1194. *International Brotherhood of Electrical Workers, Local 357, AFL-CIO, Plaintiff vs. Ronnie J. Brock, Charles Brush Jr. et al, Defendants.*, in the United States court of Appeals, Ninth Circuit, Oct. 20, 1995.

<sup>22</sup> Included as Appendix L.

<sup>23</sup> Included as Appendix M.



context of the general fact situation as we have described it in this report. The opinion<sup>24</sup> concludes that it would be improper for tax purposes to receipt JTP contributions as union dues, as appears to be the practice in approximately one-third of the JTPs we reviewed. As discussed in Chapter 4, the deductibility of these contributions has, in some instances, been a significant "selling" factor in achieving membership support for the JTP.

## 6.6 Public Subsidy

The reason the tax issue has been a matter of such debate is the underlying presumption that if JTPs were taxed as union dues, the arrangement amounted to an effective public subsidy for certain employers and unions. In order to deal with this aspect, we asked that the legal opinion also outline the appropriate tax treatment by the employer for both contributions and subsidies from a JTP. With this information, we would be able to calculate the amount of effective public subsidy that JTPs provide to their participants. The opinion suggests that it is appropriate for employers to treat contributions to JTPs as a legitimate business expense which can be deducted. However, JTPs received by an employer should be considered in the calculation of the employer's income as well. Most of the interviewees were understandably reluctant to share any documents relating to actual practice on this matter, and their responses to our questions in this area were also vague. Consequently, we are in no position to comment on the prevalent practices in this area.

In order to calculate the effective public subsidy which JTPs attract, we created a hypothetical model and measured the taxation effects of the various transactions. In this model, Company A represents the hours worked for employers on projects for which JTP contributions are being made, but no subsidy is granted. Company B represents the hours worked that are being subsidized by the JTP. In order to better illustrate the taxation effects, we assumed that all of the dollars contributed to a JTP are being spent on subsidies, although we understand that in actual practice there is some leakage to cover administration costs.

A comparison of the three scenarios outlined below illustrates the tax implications of a JTP and its effects on the various parties. It should be noted that we have assumed that all employees affected are being taxed at a 40 per cent personal income tax rate and that the businesses affected are all being taxed at the small business marginal tax rate of 23 per cent.

### Scenario #1 - No JTP; all wages paid at \$25 per hour

	Hours	Wages	JTP	Income Tax	Corp. Tax	Net
Company A	1,000	\$25		\$10,000	-\$5,750	\$4,250
Company B	100	\$25		\$1,000	-\$575	\$425
						\$4,675

<sup>24</sup> See Appendix N for complete opinion.

**Scenario #2 - JTP at \$1 per hour; \$1100 JTP subsidy received by Company B**

	Hours	Wages	JTP	Income Tax	Corp. Tax	Net
Company A	1,000	\$25	\$1	\$10,000	-\$5,980	\$4,020
Company B	100	\$25	\$1	\$1,000	-345	\$655
						<u>\$4,675</u>

**Scenario #3 - Pay at Net Rate Cost to Contractor**

	Hours	Wages	JTP	Income Tax	Corp. Tax	Net
Company A	1,000	\$26		\$10,000	-\$5,980	\$4,020
Company B	100	\$15		\$1,000	-\$345	\$655
						<u>\$4,675</u>

The model illustrates that although JTPs may affect the amount of tax paid by each party, these arrangements have no net impact on the overall tax revenues derived by the federal government from the transactions involved.

## Chapter 7

### Conclusions

The research shows that JTPs are clearly a significant factor in determining which firms are successful in achieving work in various sectors of the Canadian construction industry. Their impact and effect have been magnified, in part, because the operation of JTPs have not been well understood on the part of project owners and the non-BTC-unionized construction community.

Defenders of JTPs have argued that they are simply a response to market conditions and amount to a leveling of the playing field between the BTC-unionized firms and their competition. While there is little doubt that in many cases these firms have a cost disadvantage *vis-a-vis* their competition, it cannot be reasonably concluded that this is their effect. Instead, we believe that JTPs ought to be viewed as one of several methods by which a particular model of workplace organization is preserved in the construction industry. The most prominent features of this model are the craft method of organization and the union retaining control of the skilled labour force through its hiring hall system. Such a system historically and practically is predicated on the assumption that it can only work if it has virtual monopoly control of the industry and the people (employers and workers) in it.

There are clearly many misconceptions about JTPs, particularly as they relate to public policy. While most of the expressed concerns have focused on taxation issues and whether JTP contributions ought to be considered union dues, the answer to that question is not really as significant considering the revenue-neutral effects on the public purse. Instead, more attention ought to be paid to the implications of JTPs as their operation relates to the provisions of the *Competition Act*.

The operation of JTPs, however, ought not to be viewed only as they relate to legislation but also pose questions for the industry to consider. The construction industry has long had an image problem relating to the integrity of the bidding process and has worked hard through the years to clean up its image. The potential for abuse that is inherent in the structure of JTPs is clear to any who are familiar with how they work. The industry might be well-advised to consider regulation of JTPs if they are to be an ongoing feature of the industry.

The issue of cross-sectoral subsidy is one for both the industrial buyers of construction and society at large to consider. Is it appropriate to have firms in certain sectors pay a "premium" for construction work done in that sector which is not going to benefit workers in that sector? If such a program is to be justified on the basis of wealth redistribution, should it not be publicly administered so that beneficiaries can be determined by their need, and not their union membership card?



Our observations suggest that, in practice, JTPs represent not only a means for employers affiliated with certain unions the opportunity to be economically competitive, but they have the affect of economic sanctions against particular employers not affiliated with these unions. Considered against the backdrop of the *Labour Relations Act*, which guarantees workers the right to join the trade union of their choice, one cannot help but observe that JTPs have a fundamentally anti-democratic affect in this sector.

Ultimately, this report raises more questions than answers. Overall, there is little doubt that one's view of JTPs will be coloured by one's view of unionization in the construction industry. We believe collective bargaining is the best way to organize work, thereby balancing the various interests involved. As such, one can understand the objective of dealing with declining unionization in the construction sector. However, the question begs asking as to whether JTPs, which reinforce the notions of unions as controlling rather than representing construction workers and where they work, are not part of the problem rather than the answer. A JTP solution is based on the premise that all of the reasons for low union density in the sector are external to these unions, whereas there is good reason to observe that some of the declining appeal of these unions may be the calibre and style of workplace representation they offer their members.

The specific impact of JTPs are problematic in that they are essentially a reactionary program, seeking to protect a craft model of unionization and control of the skilled labour force through hiring halls that has not only proven to be economically problematic, but also is willing to unnecessarily compromise the freedom and choices available to workers.

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# WORK RESEARCH FOUNDATION

5920 Atlantic Drive, Mississauga, ON L4W 1N6

December 16,  
1997

Dear @c

The Work Research Foundation is currently studying the effects of various programs in the construction sector. One such program is the use of Job Targeting Program (also known as MERF -Market Enhancement Recovery Funds- or Stabilization Funds) in various areas of the country. The report, expected to be completed in early 1998, will incorporate information gleaned from approximately 50 interviews with union members, contractors, clients, and other persons about the effects of these funds. The effectiveness of these funds, as well as their impact on the bidding process and economics of the industry will be analyzed.

Your assistance in completing this short survey will be most helpful. If you have further information and would like to contribute it to this study, please indicate so on the form.

Sincerely,  
Jennifer Wunsch  
Research Assistant

Transmission is two (2)  
pages.



1. Can you identify the Job Targeting Programs with which you are familiar?

<i>Union Local</i>	<i>Contribution Rate</i>	<i>Date Implemented</i>

2. In your opinion, have these funds been successful in increasing overall market share for the unionized sector? Yes  No

3. Do you believe that these funds will be sustained as a permanent feature (ie. still be operating in five years) of the industry in your area? Yes  No

Please contact me at ( ) \_\_\_\_\_ as I am willing to be interviewed and have first-hand knowledge of these funds.

Please send me a copy of the report upon its completion.

*Name of person completing form:* \_\_\_\_\_

*Position:* \_\_\_\_\_

*Address to mail report to:* \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Please fax completed survey to  
 Work Research Foundation at (905) 670-8416 by December 31, 1997.

*Your participation is sincerely appreciated.*



# International Brotherhood of Electrical Workers - Local 213

4220 NORLAND AVE., BURNABY, B.C. V5G 3X2 FAX: 294-1538 PHONE: 294-2361

January 29, 1992

## IMPORTANT

Dear Brother/Sister:

During the next ten days, 300 Local 213 members will receive a telephone call from Interior Research and Communications, a BC company that is helping us develop a program to recover the work we have been losing to non-union competition. If you receive a call, please give five minutes of your time to answer a number of important questions about the proposal in this letter; we need to hear from you.

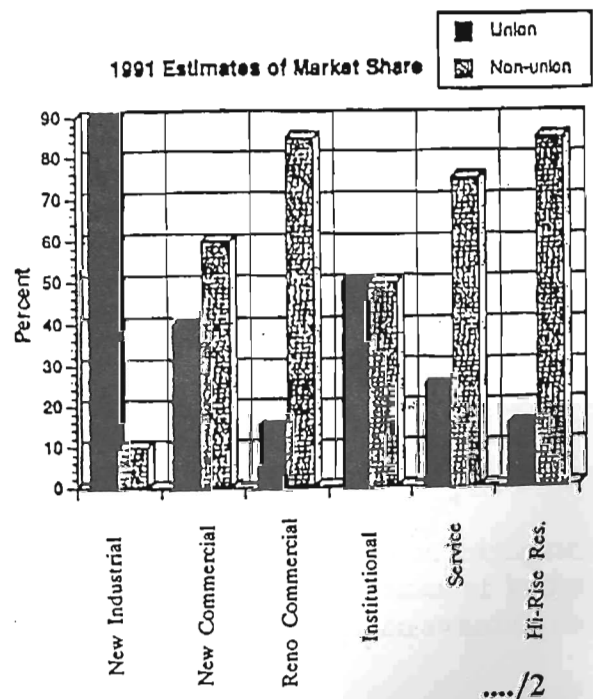
In the Provincial Election the N.D.P. Program, point #7 said, "It's time to put one-sided and extreme labour laws behind us." In the next six months most of their new program should be in place.

The new laws should restore the non-union workers the right to have a union.

The N.D.P. have promised improvements to the Employment Standards Act, Fair Wage Act, etc. These changes will help us in our efforts to roll back the non-union contractors, but we should remember the N.D.P. program is to create a level playing field, not to outlaw the non-union sector, therefore your Market Recovery Committee has been working on developing a recovery program. We have become increasingly aware of the seriousness of the situation in the electrical construction industry in B.C. Union companies have lost more and more ground to non-union competition.

### How Bad is Our Situation?

A quick look at the graph answers that question. We have gone from a dominant position in the market, particularly on large projects, to the point where the most recent estimates give us about 40% of commercial jobs, our bread and butter market. Non-union companies are building up the experienced work force and financial resources to bid - and win - even the larger jobs which used to be ours.



### What Can be Done?

If we want to see our union survive, we can't sit still. That is why we have been investigating all sorts of approaches and have come up with the five-pronged proposal outlined on the enclosed sheet. It is a program that has a proven track record in Oregon and may work for us too. But we need to hear from you and make any necessary improvements before we present that proposal to the membership. That is why we have asked Interior Research to survey our members.

### What Can You Do?

Read the enclosed sheet carefully and keep it by the phone so that if you get a call, you will be ready to answer a few brief questions. When that call comes, you will have a chance to play an important part in regaining our market and building a prosperous future for our union. Please give us a hand.

Fraternally,

C. Rundgren,  
Business Manager and  
Financial Secretary

CR/gj  
oteu: #15  
r\_intrsch.029



### What is a Market Recovery Program (MRP)?

A MRP is a strategy to help unionized electrical workers regain some of the market share that has been taken over by non-union companies over the past few decades.

This proposal is based on a successful MRP in Oregon. Since beginning their program in 1986, the IBEW Local 48 and the Oregon branch of NECA have increased the union share of their electrical construction market from 30% to approximately 75%.

### How Would it Work?

The program would take a five-pronged approach:

- A joint IBEW/CLRA advertising campaign in all media except TV to make the public aware of the advantages of unionized electrical construction. Campaign to be funded by the contractors but union heavily involved in developing messages and deciding what information goes to whom.
- Joint IBEW/CLRA lobbying of the provincial government to bring about changes to government legislation, policy and practice that is biased against unions.
- A job targeting program (JTP) under the control of the union to create a fund to help union companies out bid non-union competition. See details below.
- Continued apprenticeship, training and upgrading programs to ensure unionized electricians remain the best qualified workers in their field.
- A vigorous organizing drive to increase IBEW membership, with business representatives approaching non-union contractors as well as non-organized wiremen.

### What is a Job Targeting Program (JTP)?

The proposed JTP would mean a tax-deductible levy of 5% on all earnings of inside wiremen would go into a JTP fund. That union-controlled fund would be used to target specific projects and help unionized companies to obtain that work.

It would work like this:

- The union contractor identifies competition on a prospective job.
- If non-union companies are among the competition, the union contractor approaches CLRA and gives them a letter including the names of known competitors, "ball park" estimates of man-hours, the organization awarding the contract, and the nature and duration of the project.

..(over)



- The contractor organization forwards the letter to the union.
- The union decides if the program qualifies for the JTP and, if so, the appropriate wage subsidy to be set for the project.
- The union notifies CLRA of the decision.
- The contractor contacts CLRA to find out if the project qualifies and submits a bid accordingly. This would happen very close to the bid deadline.
- The successful union contractor provides CLRA with a letter containing project details, including actual man hours expected.
- The union and CLRA sign an agreement specifying amount of subsidy, number of hours and conditions. Union in complete control of conditions.
- On a weekly basis, the contractor provides the union with time sheets and the union subsidizes wages for journeymen only, according to the terms of the agreement.

#### **What are the benefits of a JTP?**

In Oregon, the return on the IBEW investment in the JTP is approximately 3:1. That is, every dollar the union invests generates three times as much in extra earnings for the membership.

An increase in market share means more union jobs and weakens the non-union sector, making it more susceptible to organization.

#### **How Long Would the Market Recovery Program Last?**

It is recommended that the MRP be put in place for a five year period, with a full review at that time.

#### **What Kind of Safeguards Will There Be?**

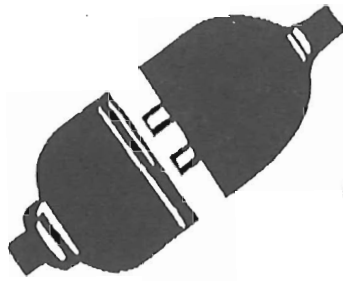
The Business Manager would provide the membership with detailed regular reports, including financial information.

Strict guidelines would be drawn up to prevent contractors from abusing the system.

#### **Who Has To Approve This Program?**

Because it involves a levy, the JTP has to be placed before the membership for a vote.





# Connection

THE OFFICIAL **NEWSLETTER** OF L.U. 773 I.B.E.W.

23

February 28th, 1986.

**BANQUET** - As mentioned in last month's newsletter, Local 773 will be holding its 68th Anniversary Banquet on Saturday, March 22nd at the Caboto Club in Windsor. We are pleased to report that the Minister of Labour for the Province of Ontario, Honourable Bill Wrye will be the guest speaker for the evening. Business Managers from across Ontario and Michigan will also be in attendance and we look forward to spending the evening with our guests and the members of Local 773. If you have not purchased your tickets by now, I would recommend that you do so immediately before we are sold out. Tickets can be purchased by "BA" and "A" members for \$20/couple and are available at the union office.

Attached to this month's newsletter is a list of "BA" and "A" members who are eligible to receive I.B.E.W. service pin awards. These awards will be presented at the March 22nd Banquet. Only those members who have purchased tickets for the banquet will have their names called out to receive their awards. All members unable to attend the banquet can pick up their service pins at the union office at a later date. If your name does not appear on the enclosed list and you feel that it should, please contact the union office immediately.

**BOOK #2 RULES (DETROIT)** - If any of our members working in Detroit get laid off, we strongly recommend that you re-sign book #2 in Detroit. The following are a few of the rules to remember if you have signed book 2.

- 1) When you sign book 2, remember what page your name appears on.
- 2) You must re-sign book 2 every 30 days to prove you are available for work.
- 3) The top 20 on book 2 must make themselves available for work daily.
- 4) Call Rosie at 1-313-963-2130 and ask her what page the top 20 in book two are being called.
- 5) Once the top 20 hits the page that your name is on, you will have to visit the union office daily for work calls.
- 6) Three refusals or days not available for work will put your name to the bottom of the book.

**STABILIZATION FUNDS** - In recent years local unions within Canada and the United States have begun to establish stabilization funds to assist their union contractors on "Cost Sensitive Jobs" which in all likelihood would have gone non union. In May of 1984, the sheet metal local union in Kitchener established just such a fund with a contribution rate of 22¢ per hour which eventually rose to 72¢ per hour a year later. During the period of March to September of 1985, 19 jobs were targeted as "Cost Sensitive". Out of the total of 19 jobs bid, twelve (12) jobs were turned around totalling 1.5 million dollars of work and 26,037 man hours. All of this work, the business manager reports would have gone non union. Since the program started, 40% of the non union sheet metal contractors have gone out of business and many of the remaining non union shops are now talking about signing with the union.

Basically, the "Stabilization Fund" is a pool of money funded on a basis of ¢ or \$ per hour worked by all "A" members of the local union in all the union shops. Prior to a certain job being bid both labour and management determine whether the job in all likelihood would go non union. If the job is determined to be "cost sensitive" then it is targeted and all unionized contractors bidding on the contract are guaranteed a \$6 to \$8 per hour subsidy from the fund. The fund is only used when bidding against non union contractors. The fund is not used when the job bidding is all union. In this manner, all local members working on these jobs receive the same rate of pay as established in the collective agreement and received by other union members working on other jobs.

The Fund pays the contractor for hours worked by the members on the targeted project as the contractor submits invoices showing copies of time cards with names, dates, hours worked and signed by the employee (member) for verification of accuracy.

In applying for the subsidy, the following steps must be taken:

- Step 1 - The contractor must contact the trustees of the fund.
- Step 2 - The business manager then investigates the bidding principles including owners, other companies bidding, architects, engineers, construction management companies for details.
- Step 3 - Information is documented on who was invited to bid or if it is a closed tender.
- Step 4 - Subsidy is granted or not granted by trustees prior to the job tender closing, based on information and evaluation of steps 1, 2 and 3.
- Step 5 - If a union contractor is successful in getting the job and the subsidy is to be used, then the company is sent a Declaration Form (contract) and invoice forms to be filled out to meet confirmation requirements of the plan.

Now that we have reviewed the history and structure of stabilization funds, the question is will they work for local 773? To begin with, I would like to review what has recently occurred in our Chatham area as a model example. In the fall of 1985, all of our Chatham members were working in either 773, Detroit or out of town. During this time period, it became apparent that our work picture in the Chatham area would deteriorate considerably in 1986. At this same time in the fall of 1985, three large electrical contracts in the Chatham area were being tendered and would take place during this period of unemployment. The three projects mentioned totalled over one million dollars worth of electrical work and well over 25,000 man hours of labour. Unfortunately, all three projects were lost to non union electrical contractors from the London area. In each case, these jobs were lost by approximately \$6 per man hour quoted. Had local 773 an established "Stabilization Fund" to subsidize these projects, the following statistics would have occurred. Approximately one million dollars worth of electrical work would have been done by unionized electrical workers. Well over \$500,000 in wages would have been paid to members of Local 773. Approximately \$150,000 in benefits would have been paid to the members of local 773. Well over \$300,000 worth of wages, overhead, profit and material purchases would have been pumped into the local unionized contractors in our area. In return, the "Stabilization Fund", through the contributions of all the "A" members of the local would have invested approximately \$150,000 to secure this work!

My experience in the past has shown that approximately four to five times this amount of electrical volume is being done by large non union and C.L.A.C. shops in the Windsor area. All of this leads us to the conclusion that only a fund of approximately one million dollars with an annual revenue (through man hours worked) of approximately \$300,000 is sufficient to support such a programme.

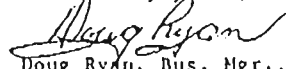
Now before I lose most of you or scare the rest of you off, maybe we should think about what has transpired in the last four years in our area. Since the beginning of 1982 (keeping in mind that most of these years were not the best) we have totalled approximately 1,700,000 man hours of labour. Had local 773 established a "Stabilization Fund" back in 1982 with a contribution rate of 50¢/hr., at present we would have a "pool" of \$850,000, well on our way to the objective of one million. This would have put us in a position to once and for all take on the non union contractors in our area. Each member must petition his conscience and ask what difference during this period such an amount (50¢) would have made to his or her standard of living. When doing this, each member should keep in mind that any monies contributed to such a fund are tax exempt (before taxes) which would lessen the impact considerably. The benefits of such a program are obvious "Pay a little collectively to gain a lot collectively!"

Next month, we will review with you the discussion of the executive board and the negotiating committee regarding "Stabilization Funds" and bring you up to date with the progress report concerning our contract negotiations for 1986.

**SEPARATION CERTIFICATES** - Recently a number of problems have occurred concerning the issuing of separation certificates at the time of lay off. Without going into too much detail, I strongly suggest that all our members upon lay off, take the time to check box 14 on their certificate to insure that the correct reason for lay off was checked off. Take nothing for granted, for it will be much easier to correct any misunderstanding on the day of lay off rather than at a later date!

Until next month, good luck, work safe and we hope to see you at the regular meeting on March 13th.

Fraternally yours,

  
Doug Ryan, Bus. Mgr.,  
I.U. 773, I.B.E.W.

**ARTICLE THIRTY-ONE - EMPLOYER ASSOCIATION FUNDS**

- 31.01 The amounts specified in Clause 31.03 shall be contributed for all hours worked under the terms of this Collective Agreement, by each Employer working under the terms of this Collective Agreement.
- 31.02 These contributions shall be forwarded to the Office of the appropriate Association(s) prior to the fifteenth (15th) day of the calendar month following the period for which the contributions are being reported.
- 31.03 The Employer shall complete and forward, with the contributions, the reporting forms as required.
- (a) Twelve cents (12¢) per hour worked shall be forwarded to Construction Labour Relations at 10949-120 Street, Edmonton, Alberta T5H 3R2 to satisfy the Employers obligation to the Construction Labour Relations, Mechanical (Provincial) Trade Division pursuant to Section 163 of the Labour Relations Code of Alberta and this collective agreement.
  - (b) Three cents (03¢) per hour worked for all **INDUSTRIAL** hours and, ten cents (10¢) for all **COMMERCIAL/INSTITUTIONAL** hours worked shall be forwarded to the Mechanical Contractors Association of Alberta @ 2725-12th Street N.E. Calgary, Alberta T2E 7J2, to satisfy the Employers obligation to the Mechanical Contractors Association, pursuant to this Collective Agreement.
  - (c) The Mechanical (Provincial) Trade Division of Construction Labour Relations may by notice in writing to each of the unions change the amount of cents per man hour in (a) and (b) above.
  - (d) The funds received pursuant to (b) above shall be administered by the Provincial Board of Directors of the Mechanical Contractors Association.
- 31.04 All cost relating to the administration of the fund(s) shall be borne by each of the above associations.

**ARTICLE THIRTY-TWO - MARKET ENHANCEMENT RECOVERY FUND**

- 32.01 The amounts specified in the wage schedules in article 8.00 designated as "MERF" shall be contributed by the Employer for every hour that an employee covered by The terms of this Agreement is employed, within either the Local 488 or 496 jurisdiction, as indicated in Clause 8.08 of this Agreement. Contributions will be made on the basis of full or half (1/2) hours. The amounts contributed shall be based on total hours earned including overtime.

- 32.02** All such contributions shall be recorded by the Employer on forms to be provided by the Union(s) listing the names of employees, social insurance numbers, and hourly contributions of each employee, and forwarded with a cheque in the required amount. on or before the 15th day of the month following the month for which such amounts have been withheld, to the "Market Enhancement Recovery Fund Trust Account" in care of Local Union 488, or Local Union 496, as appropriate. A copy of the said list to be retained by the Employer.
- 32.03** In the case of failure of the Employer to forward the contributions to the Fund on the due date, the Trustees in their joint names may take legal action against the Employer for the recovery of the amount due.
- 32.04** All amounts paid by the Employer to the Market Enhancement Recovery Fund shall be in addition to the hourly wage rates established in this Agreement and in no case shall the Employer deduct any such amounts from the employee's wages.
- 32.05** The liability of any Employer to the Market Enhancement Recovery Fund shall be limited to his obligation to contribute and forward the amount stated in this Agreement at the times and in the manner stated, together with any penalties as set forth herein.
- 32.06** The terms of the Agreement and Declaration(s) of Trust shall govern the operation and administration of the MERF plan(s) and any changes made to the Declaration(s) of Trust by the Trustees, must be ratified by the Parties to this Collective Agreement. Any increase to the amounts to be contributed as proposed by the Trustees must also be ratified by the Parties to this Collective Agreement.
- 32.07** There shall be a total of seven (7) Trustees appointed to administer each Fund. Three (3) shall be appointed by the Trade Division, and four (4) by the appropriate Local Union, one of whom shall be the Chairman. It shall be the exclusive right of the Construction Labour Relations - an Alberta Association Mechanical (Provincial) Trade Division to appoint the management trustees to the fund, however other than the Labour Relations Representative for Construction Labour Relations - an Alberta Association Mechanical (Provincial) Trade Division, whose appointment is automatic the other two trustees may be selected from among management personnel from other employers whose collective agreements require that Funds be contributed to this Fund.



*LETTER OF UNDERSTANDING*

BETWEEN:

ELECTRICAL CONTRACTORS ASSOCIATION OF ALBERTA (herein referred to as "the Association") for and on behalf of all those Member Employers and other Employers enumerated on Registration Certificate No. Eight (8), including such additions and deletions to the Registration Certificate as authorized by the Labour Relations Board under the authority of the Labour Relations Code, and all Electrical Contractors within the Province of Alberta who execute, accept or are bound by this Agreement (hereinafter referred to as "the Unionized Employers")

- and -

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION 424 (hereinafter referred to as "the Union")

WHEREAS there is in existence a Collective Agreement between the Union and the Association;

AND WHEREAS the parties have agreed to amend Article 11.04(c) of the Collective Agreement by adding a new sub-sub-paragraph 11.04(c)(iii);

AND WHEREAS the parties are desirous of incorporating this clause into the new Collective Agreement that they are currently bargaining;

AND WHEREAS the Union wishes to protect and advance the interests of its members by obtaining more work for them and, to that end, has established or soon will be establishing a Fund known as the Market Recovery Target Fund (hereinafter referred to as "the MRTF") for employee contributions;

AND WHEREAS the purpose of the MRTF is to make available funds in appropriate circumstances to reduce the labour costs of the Unionized Employers thus enabling such Unionized Employers to compete more effectively against employers who are not bound to the Collective Agreement and thereby create more work for Union members and affected Unionized Employers;

NOW THEREFORE in consideration of the premises and covenants contained herein:

1. This Letter of Understanding amends the Collective Agreement currently in effect

negotiated pursuant to Registration Certificate No. 8 issued by the Labour Relations Board for the General Construction Sector Electrician which Agreement was entered into on the 1st day of May, A.D., 1991 and will survive its expiry subject to termination under Article 9 herein. The Letter of Understanding is enforceable under the terms of the Collective Agreement.

2. The amendment to be incorporated is as follows. At 11.04(c) add one new sub-sub-article which is set out below:
  - 11.04(c)(iii) As of the 31st day of May, A.D., 1993 the Unionized Employers shall deduct and remit to the Union the sum of Four (4%) of the basic hourly wage rate for each and every hour earned by employees covered under the terms of this Collective Agreement. Such deductions shall be made by the Unionized Employers and no Unionized Employers shall divert any such sums, set off or otherwise alienate such moneys but shall remit the same to the MRTF.
3. The Union will maintain and administer the MRTF pursuant to the trust instrument that the Union will cause to be drafted forthwith. The trust instrument will be consistent with this Letter of Understanding and subject to it. The maintenance and administration of the Fund shall be at the expense of the Union except as provided in Paragraph 4 herein.
4. The Electrical Contractors Association of Alberta (hereinafter referred to as "the ECAA"), on behalf of the Unionized Employers, will administer and coordinate, at its own expense, applications by Unionized Employers for MRTF assistance, provided that the Unionized Employer first agrees in writing to indemnify and save harmless the ECAA, the Union, the Trustees, and their employees from any claims arising from the administration of the program.
5. Each project will be dealt with on an individual basis. The Trustees of the Fund will take into account such factors as the number of contractors likely to bid the job, the nature of the work, the location of the project, the number of hours involved for electrical work, whether or not nonunion tenders are being submitted, the availability of funds and the timing of the request. However, the discretion to designate a particular project as eligible or not eligible for MRFT funding and, if so, the amount of the funding shall be solely at the discretion of the Trustees of the Fund.
6. Unionized Employers may apply for MRTF funding pursuant to this Letter of Understanding and such other administrative letters as may be published from time to time.
7. It is the responsibility of each individual Unionized Employer to make inquiries regarding the status of any particular job and the applicability of MRTF funding prior



to submitting a bid. Only those Unionized Employers who apply for MRTF funding, on any specific project, will be eligible to such funding. The Unionized Employer agrees that neither the ECAA nor the Union shall bear any liability to a Unionized Employer if the Unionized Employer's bid is accepted or not accepted, or on any other basis whatsoever, save and except to the extent the Trustees have undertaken to fund such a project.


8. The procurement for applications for MRTF funding shall be as follows:
- (a) Funding will be based upon a reduction from the total hourly labour costs for classifications covered by the Collective Agreement.
  - (b) If non-IBEW Contractor(s) are pursuing a project the Unionized Employer will contact the ECAA in writing, by fax, with the relevant background including the project name, the names of known competitors, "ball park" man hours, the type of closing (ie ACTS, direct to general, direct to owners, others), nature and duration of the project, tender closing date and time, estimated man hours, the location of the project and demand of hourly subsidy requested.
  - (c) This information will be forwarded in writing by the ECAA to the Trustees.
  - (d) The Trustees will unilaterally determine if the project qualifies for MRTF funding. In addition to setting the wage adjustment, the Trustees shall also set a manpower ceiling for the project. This ceiling will be based upon the judgment of the Trustees using confirmed estimates of total man hours required as provided to the Trustees on the date of closing by each of the Unionized Employers making application. The decision of the Trustees will be final and will be identical for each Unionized Employer making an application.
  - (e) The Trustees will notify the ECAA in writing of their decision as soon as practicable and in any event prior to closing.
  - (f) Unionized Employers will be expected to contact the ECAA to confirm whether or not the project has been approved for MRTF funding.
  - (g) If a Unionized Employer is the successful bidder on a MRTF funded project and has applied for funding he will receive funding as provided in this agreement. He shall notify the Trustees and the ECAA in writing prior to commencing work.
  - (h) On a monthly basis the Unionized Employer will forward the time sheets from a MRTF project along with the reimbursement request form to the Trustees.


- (i) The Trustees will reimburse the Unionized Employer on a monthly basis in accordance with the MRTF Funding Agreement for hours actually worked or the man hour ceiling, whichever is less.
- (j) Payments to be made out of the MRTF shall normally be paid upon receipt of the proper invoice within Thirty (30) days from the date the invoice is received, it being understood that payment may be delayed due to circumstances beyond the control of the Trustees.
- (k) The Trustees may, from time to time, audit jobs that had been targeted. Any Unionized Employer who is participating in the MRTF program and receiving a subsidy on an approved project agrees that the Trustees shall be allowed to perform such an audit to verify hours worked.

9. This Letter of Understanding may be cancelled by either party upon Ninety (90) days written notice. In the event of cancellation the parties will fulfil any outstanding obligations they undertook pursuant to this Letter of Understanding to the effective date of cancellation.

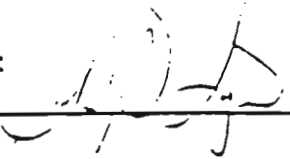
IN WITNESS WHEREOF the parties have by their duly authorized Officers set their hands and affixed their seals on the 19 day of May, A.D., 1993.

ELECTRICAL CONTRACTORS  
ASSOCIATION OF ALBERTA

Per:   
\_\_\_\_\_

Per:   
\_\_\_\_\_

INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS, LOCAL  
UNION 424

Per:   
\_\_\_\_\_

Per: \_\_\_\_\_  
\_\_\_\_\_

ELECTRICAL INDUSTRY ADVANCEMENT FUND  
CONTRACTOR REQUEST FORM

TO: International Brotherhood of Electrical Workers, LOCAL 213 FAX (604) 524-4790  
c/o Construction Labour Relations Association of B.C. Phone (604) 524-4911

FROM: \_\_\_\_\_ DATE: \_\_\_\_\_  
Company Name  
TELEPHONE: \_\_\_\_\_  
\_\_\_\_\_  
Company Representative (please print) FACSIMILE: \_\_\_\_\_  
\_\_\_\_\_  
Signature

Please accept this as a request for funding under the Electrical Industry Advancement Program for the project outlined herein:

PROJECT: \_\_\_\_\_  
LOCATION: \_\_\_\_\_  
OWNER: \_\_\_\_\_

TYPE OF WORK:  Residential  Commercial/ Institutional  Industrial  Maintenance  Other

DESCRIPTION OF PROJECT: \_\_\_\_\_

EST. ELECTRICAL CONTRACT VALUE: \_\_\_\_\_ START DATE: \_\_\_\_\_

APPROX. JOURNEYMAN HOURS \_\_\_\_\_ COMPLETION DATE: \_\_\_\_\_

KNOWN NON-IBEW BIDDERS: \_\_\_\_\_

THIS PROJECT WILL BE TENDERED THROUGH:  
 Bid Deposit  Phone-In Bid  Letter or Formal Tender

INDICATE WHETHER FAIR WAGE WILL APPLY:  
 Provincial  Municipal

PROJECT ELECTRICAL CONTRACTOR WILL BE:  
 Prime Contractor  Sub-Contractor

TENDERS CLOSE FOR GENERALS: Date: \_\_\_\_\_ Time: \_\_\_\_\_  AM  PM

TENDERS CLOSE FOR ELECTRICAL: Date: \_\_\_\_\_ Time: \_\_\_\_\_  AM  PM

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ELECTRICAL INDUSTRY ADVANCEMENT FUND TIME SHEET  
WEEKLY MANHOOR REPORT  
JOURNEYMAN WIREMAN RATE ONLY

EIAF JOB NAME: \_\_\_\_\_ FOREMAN SIGNATURE: \_\_\_\_\_  
EIAF JOB ADDRESS: \_\_\_\_\_ FIRM NAME: \_\_\_\_\_  
EIAF JOB NUMBER: \_\_\_\_\_ DATE SUBMITTED: \_\_\_\_\_ WEEK ENDING: \_\_\_\_\_

NAME (Type or Print)	Soc. Ins. No.	Pay Rate	Signature	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	TOTAL

TOTAL HOURS: \_\_\_\_\_

FOR OFFICE USE ONLY	
TOTAL HOURS	_____
HOURS PAID	_____
HOURS REMAINING	_____

Mail to: Local 213, I.B.E.W.  
4220 Norland Avenue,  
Burnaby, B.C. V5G 3X2

These reports are to be mailed bi-weekly no later than  
Wednesday for the previous period.

( ) FINAL REPORT FOR THIS PROJECT \_\_\_\_\_ (DATE)

# MEETING NOTICES

**UNIT #1**      **Date & Time:** Wednesday, January 14, 1998 at 7:30 p.m.  
**Place:** Local Union Hall, 4220 Norland Ave., Burnaby

**UNIT #2**      **Date & Time:** Monday, January 19, 1998 at 7:30 p.m.  
**Place:** Local Union Hall, 4220 Norland Ave., Burnaby

**UNIT #3**      **Date & Time:** Thursday, January 15, 1998 at 8:00 p.m.  
**Place:** Local Union Hall, 4220 Norland Ave., Burnaby

**UNIT #4**      **Date & Time:** Thursday, January 8, 1998 at 7:30 p.m.  
**Place:** Monte Carlo Motor Inn, Castlegar

**UNIT #5**      **Date & Time:** Tuesday, January 13, 1998 at 7:30 p.m.  
**Place:** Capri Hotel, Kelowna, B.C.

**UNIT #6**      **Date & Time:** Thursday, January 8, 1998 at 7:00 p.m.  
**Place:** Coast Bastion Hotel, Nanaimo

## EIAF REPORT TO DATE

Jobs Bid	3,626	Total Funds Paid Out	\$11,339,480.82
Bid Successfully	1,382	Amount Left to Pay	\$ 1,082,047.00
Bid Unsuccessfully	1,525	Hours Paid Out	1,580,396.80
Pending	719	Hours Left to Pay	151,665.25
Successful Bid Job Hours	1,935,322	Total 5% Collected	\$11,422,846.84
Wages Generated	\$51,808,569.92	Bank Balance	\$ 227,954.72
Jobs Pending Hours	988,492		



## Appendix I

## Sample List of Jobs Targeted

SUCCESSFUL MARKET RECOVERY TARGETS			
REF #	PROJECT	HOURS	CONTRACTOR
92-004	Pacific Place, 1150 Pacific Blvd., Vancouver	21,000	Inlet
92-016	Scottsdale School, 66th Ave & 126 Street, Surrey	14,000	Ricketts Sewell
92-019	S. Fleetwood School, 80th Avenue & 156th Street, Surrey	12,000	Ricketts Sewell
92-023	Co Van Trucking, 63 North Bend, Coquitlam	1,200	Inlet
92-029	TransAmerica, 1050 West Pender St., Vancouver	317	State
92-037	Dustin Watchll, 16th Fl., 999 W. Hastings St., Vancouver	250	Western Pac. Ent.
92-040	DPW Post Office, 349 W. Georgia St., Vancouver	36	Houle
92-041	Moly Energy, 20000 Stewart Way, Maple Ridge	140	Inlet
92-044	Linden Estates, Summerland	500	Concord
92-049	Bank of Montreal, 223 Ungless Way, Port Moody	250	Del Industries
92-054	Hawthorne Lodge, 2111 Hawthorne Avenue, P. Coquitlam	6,000	Ainsworth
92-055	Yaletown, Drake & Pacific, Vancouver	300	Inlet
92-069	Real Estate Board Offices, 1101 W. Broadway, Vancouver	6,000	Western Pac. Ent.
92-071	West Vancouver School, 1750 Mathers Avenue, W. Vancouver	3,000	Elgar
92-076	BC Gas, Gr. Floor Power 1111 W. Georgia St., Vancouver,	250	Houle
92-077	La Luna Cafe, 117 Water Street, Vancouver	150	Harbourview
92-079	Kelowna City Hall, 1435 Water Street, Kelowna	500	Concord
92-080	Red Wing Resort, Highway 97 North, Penticton	1,600	Concord
92-091	Veterans Affairs, 1185 W. Georgia St., Vancouver	250	Western Pac. Ent.
92-092	HD Stafford School, 20441 Grade Cresc., Langley	7,200	Ricketts Sewell
92-095	Toronto Dominion Bank, 12th & Granville, Vancouver	900	Western Pac. Ent.
92-105	Thunderbird Arena, 6066 Thunderbird Blvd., Vancouver	600	Norlin
92-106	St. Mary's Geriatric, 220 Royal Avenue, N. Westminster	600	Inlet
92-110	Kensington Park Ice Rink, 6169 Curtis St., Burnaby	250	Ricketts Sewell
92-113	Emily Carr College of Art, 1406 1438 Oldbridge St., Vancouver	5,500	Inlet
92-117	Bonsor Recreation Centre, 6550 Bonsor Avenue, Burnaby	260	Elgar
92-120	Citadel Heights (Concrete), Citadel Drive, Coquitlam	8,500	Houle
92-124	Toronto Dominion Bank, 1401 West 8th Avenue, Vancouver?	250	A. Webb Electric
92-126	McDonalds Restaurant, Main & Terminal, Vancouver	500	Elgar
92-129	Kap 11 Building, 100 Park Royal St., W. Vancouver	51	Ross Morrison Electric
92-134	Riverfront Park, Marine & Kent, Vancouver	340	Ricketts Sewell
92-139	Yaletown Square, Pacific Square, Vancouver	140	Inlet Electric
92-144	Royal Bank, 200 East 4th Avenue, Vancouver	400	Del Industries
92-147	Regal Crsecent Street Lighting, North Vancouver	30	Ricketts Sewell
92-149	Lake City Oper. Centre, 2775 Production Way, Burnaby	360	Inlet
92-151	BCIT Power Factor, 3700 Willingdon Avenue, Burnaby	400	Ricketts Sewell
92-155	BC Systems Computer Room, 601 W. Broadway, Vancouver	250	Houle Electric
92-156	Tour Assembly Demo Area, 14255 96 Avenue, Surrey	130	Plant-A-Lite
92-157	Canada Trust, 200 7134 King George Hwy, Surrey	600	Canem Systems
92-159	Common/Lobby Area, 15th Floor, 625 Howe St., Vancouver	550	Western Pac. Ent.



92-161	Employment & Immigration, 1148 Hornby St., Vancouver	2,000	Elgar Electric
92-162	TransWorld Offices, 999 W. Broadway, Vancouver	150	Canem Systems
92-164	Yaohan Centre, 3700 No. 3 Road, Richmond	2,500	Harbourview Electric
93-004	Via Rail, 2nd Floor, 1150 Station St., Vancouver	300	Houle Electric
93-006	William Griffin Rec. Centre, 851 W. Queens Ave., North Vancouver	400	A. Webb Electric
93-007	City of Vancouver (Pressure Reducing), 10th & Blenheim, Vancouver	90	Vancouver Industrial Electric
93-015	Benetton Stores, Oakridge & Pacific Centre, Vancouver	200	Sasco Systems
93-018	BCIT Connector Building, 3700 Willingdon Ave., Burnaby	4,100	Inlet Electric
93-024	CTC Trading, 1055 West Georgia St., Vancouver	80	Western Pac. Ent.
93-028	Willis Harding Insurance, Lanfranco & Lakeshore Rd., Kelowna	300	Concord
93-031	Cdn. Imp. Bank of Commerce, 2288 W. 41 Avenue, Vancouver	1,500	Ainsworth
93-040	Meadow Gardens Golf Crse, 19699 Meadow Gardens Way, P. Meadows	4,000	Elgar
93-042	Vanc. Gen. Hospital Coffee Bar, 855 W. 12 Ave., Vancouver	75	Del Industries
93-045	Youth Detention Centre, 3405 Willingdon Ave., Burnaby	30	Houle Electric
93-048	Garden House, 205 Highway 33 East, Kelowna	800	Concord
93-054	Langley School Board Offices, 222nd & Fraser Hwy., Langley	5,000	Canem Systems
93-057	North American Trust, 1111 W. Georgia St., Vancouver	250	Western Pac. Ent.
93-065	Day Care Centre, 789 Alderson St., Coquitlam	800	A. Webb Electric
93-066	A & W Drive In Restaurant, 45310 Luckakuck Way, Sardis	400	S & S Electric
93-073	Social Services, 2610 St. Johns, Port Moody	175	Del Industries
93-074	Glaisaire Industries, 3137 Grandview Hwy, Vancouver	160	Ampac
93-075	Matsqui Street Lighting, District of Matsqui	175	Ricketts Sewell
93-076	Fraserwood Elementary, 10650 164 Street, Surrey	950	AEMS Electric
93-077	BC Cancer Assn., 600 W. 10th Avenue, Vancouver	200	Houle Electric
93-092	Dairy Queen, 500 W. Broadway, Vancouver	250	Four Star Electric
93-093	Town Centre Aquatic Complex, 1210 Pineview Way, Coquitlam	4,000	Elgar Electric
93-094	Esplanade Beautification, 1st Avenue & Esplanade, North Vancouver	250	Ricketts Sewell
93-098	Whistler Health Care, Blackcomb & Lorimer Way, Whistler	3,000	Inlet Electric
93-099	Westwood Plateau Pipeline, Pipeline Road & Robson Dr., Coquitlam	700	Mott Electric
93-100	BC Gas, 17th Floor, 1111 W. Georgia Street, Vancouver	40	Harbourview Electric
93-104	Newport on Main, 3400 Main Street, Vancouver	8,000	Inlet Electric
93-111	Mental Health/Anik Travel, etc. 1935 56 St., Tsawwassen	550	Harbourview Electric
93-114	Microsoft, 3rd Floor, 888 Dunsmuir St., Vancouver	250	Harbourview Electric
93-123	Kitsilano Complex, 2495 West 12th Avenue, Vancouver	400	A. Webb Electric
93-125	Office Complex, 201 3001 Tutt Street, Kelowna	100	Concord Electric
93-129	Toronto Dominion Bank, Valleyview Shopping Centre, M. Ridge	250	A. Webb Electric
93-134	Bay Distribution Centre, 3100 Production Way, Burnaby	210	Houle Electric
93-138	I.C.B.C., 10262 152A Street, Surrey	90	Ricketts Sewell
93-156	Reg. Nurses Assn., 2855 Arbutus Street, Vancouver	1,070	Ampac Electric
93-157	Cotton Ginny, Eatons Centre, Metrotown, Burnaby	83	Four Star Electric
93-161	Standard Life, 9th & 11th Floors, 625 Howe Street, Vancouver	450	Western Pac. Ent.
93-171	Frederik Wood Theatre, University of B.C.	450	Elgar Electric
93-179	E & H Hitch Shop, 20344 62nd Avenue, Langley	220	Plant-A-Lite Electric
93-180	The Bay, Lower Level, 3100 Production Way, Burnaby	150	Houle Electric

93-181	J. Clayton Cambell & Co., 10366 E. Whalley Ring Road, Surrey	420	Elgar Electric
93-184	Two Twin Highrises, 8240 Lansdowne, Richmond	15,000	Inlet Electric
93-189	KLO Road Upgrade, Kelowna	100	Concord Electric
93-194	The Bay, Battery Charge, 3100 Production Way, Burnaby	130	Houle Electric
93-199	Fleetwood Civic Centre, 160th Street & 84th Avenue, Surrey	4,500	Ainsworth Electric
93-201	Canadian Auto Parts, 7233 Progress Way, Delta	350	Elgar Electric
93-204	Endeavour Financial Corp., 4th Floor, 1111 W. Georgia, Vancouver	200	Western Pac. Ent.
93-207	30 Unit Apt. Bldg., Royal Oak & Victory, Burnaby	1,500	Inlet Electric
93-208	Cranberry Cottage, Surrey Place Mall, Surrey	76	Four Star Electric
93-212	BC Hydro, Lighting Upgrade, 2590 Barnett Hwy, Coquitlam	90	Houle Electric
93-215	White Spot, 2850 Cambie Street / 1471 Kingsway, Vancouver	162	Houle Electric
93-218	Sony Store, 4361 Kingsway, Vancouver	158	Harbourview Electric
93-222	Goldman & Matheson, 17th Fl, 1111 W. Georgia St., Vancouver	180	Sasco Systems
93-224	Standard Life, 10th Fl., 625 Howe Street, Vancouver	400	West. Pacific Enterprises
93-226	Epsom Salt Plant, 8160 130th Street, Surrey	1,500	Ross Morrison Electric
93-233	Recochem (B.C.) Inc., 1745 Kingsway, Port Coquitlam	200	Ross Morrison Electric
93-235	Petro Canada, 16th & Marine Drive, Vancouver	300	A. Webb Electric
93-242	Unisource West Fine Paper, 7260 Winston Street, Burnaby	700	Elgar Electric
93-243	Fire Hall #4, 3891 Mt. Seymour Parkway, N. Vancouver	1,500	A. Webb Electric
93-245	McDonalds, Boundary & Lougheed, Burnaby	120	Four Star Electric
93-247	Surrey Leather, Surrey Place Mall	35	Four Star Electric
93-253	McDonalds, 26360 Fraser Highway, Aldergrove	80	Four Star Electric
93-255	McDonalds, 88th Avenue, Langley	75	Four Star Electric
93-256	McDonalds, 56th Avenue, Tsawwassen	78	Four Star Electric
93-258	Burger King, 45625 Luckakuck Way, Sardis	160	S & S Electric
93-266	FairHaven Multi Level Care, 4341 Rumble Street, Burnaby	7,500	Mott Electric
93-269	I.C.B.C., 808 Nelson Street, Vancouver	120	Ricketts Sewell
93-270	Aldo Shoe Store, Coquitlam Centre Mall, Coquitlam	90	Four Star Electric
93-271	Atcheitz Substation, Lickman Road, Sardis	3,500	S & S Electric
93-275	I.C.B.C., 151 Esplanade Street, North Vancouver	600	Harbourview Electric
93-285	HMV Record Store, Richmond Centre Mall, Richmond	400	Canem Systems
93-288	Douglas College Ballast Lamps, 700 Royal Avenue, N. Westminster	3,400	Mott Electric
93-292	Quantas Airways, 1111 W. Georgia Street, Vancouver	166	Harbourview Electric
93-299	BC Transit, 132nd & 76th, Surrey Transit Centre	6,000	Elgar Electric
93-301	RBC Dominion Securities, 666 Burrard Street, Vancouver	1,100	Western Pac. Ent.
93-308	EXE Rent-It, 45875 Airport Road, Chilliwack	210	S & S Electric
93-309	St. Pauls Hospital, 1081 Burrard Street, Vancouver	700	A. Webb Electric
93-315	Community Living Society, 309 5945 Kathleen Street, Burnaby	90	Ampac Electric
93-317	Starbucks Coffee, 5263B Ladner Trunk Road, Ladner	200	Del Industries
93-318	Starbucks Coffee, 32480 S. Fraser Way, Clearbrook	200	Del Industries
93-321	Tilbury Cement, 7777 Ross Road, Delta	205	Mott Electric
93-324	BC Belting, 3456 Bridgeway Street, Vancouver	15	Mott Electric
93-331	Bentall 5 Tower, Parkade, Burrard Street, Vancouver	4,000	State Services Group
93-332	Mega Sports, Coquitlam Centre, Coquitlam	900	Houle Electric



93-334	Kerry Financial Corp., 5760 Minoru Blvd., Richmond	135	Harbourview Electric
93-338	H. Spencer School (Parking), 105 6th Avenue, N. Westminster	1,000	State
93-343	Hong Kong Bank of Canada, 8171-91 Westminister Hwy, Richmond	450	Canem Systems
93-344	B.C. Film, 2225 W. Broadway, Vancouver	125	Ampac Electric
93-347	H. Esson Young Building, 500 Lougheed Highway, P. Coquitlam	400	Houle Electric
93-349	Congregation Beth Isreal, 4350 Oak Street, Vancouver	200	Houle Electric
93-352	Sungate Plaza, 13604 N. Victoria Road, Summerland	2,200	Concord Electric
93-353	St. Georges School, 3851 West 29th Avenue, Vancouver	2,300	West. Pacific Enterprises
93-357	Athens Ent., Yaohan Mall, Richmond	110	Harbourview Electric
93-359	Norquay School, Slocan & Kingsway, Vancouver	2,915	Fraser Electric
93-362	St. Georges School (underground), 3851 West 29 Avenue, Vancouver	200	Vancouver Industrial Electric
93-363	IWASE Books, 3700 No. 3 Road, Richmond	90	Harbourview Electric
93-366	Money Mart, 771 Columbia Street, New Westminster	70	Four Star Electric
93-367	East Chillwack Elem. School, Chilliwack,	2,100	S & S Electric
93-370	Bentall 5 Tower, Y.W.C.A., Vancouver	4,000	State Services Group
93-376	6000 Sq. Foot House, Gibsons	120	Vancouver Industrial Electric
93-377	Library & Archives, Mission	1,100	Harbourview Electric
93-384	Law Firm 'Z', 13th Fl, 1111 West Georgia St., Vancouver	300	Sasco Systems
93-389	GF Strong Spinal Cord Bldg., 4255 Laurel St., Vancouver	600	A. Webb Electric
93-392	Agassiz High School, Agassiz	1,800	S & S Electric
93-393	BC Gas Bldg., 7651 Hopcott, Delta	60	Vancouver Ind. Electric
93-394	Aspen Grove Golf Course, 10303 Bottom Woods Lake Rd., Winfield	200	Concord Electric
93-395	McDonalds, Coquitlam Centre, Coquitlam	470	Four Star Electric
93-397	Press. Red. Sins. (3 locations),	300	Vancouver Industrial Electric
93-399	Church of Latter Day Sts., 8440 Williams Road, Richmond	250	Harbourview Electric
93-400	Biochemistry Bldg., University of B.C.	162	Fraser Electric
93-402	Animal Science Lab., U.B.C.	130	Fraser Electric
93-403	Hollyburn Country Club, West Vancouver	2,000	Elgar Electric
93-406	BMS Music, 150 4299 Canada Way, Burnaby	65	Harbourview Electric
93-414	Toronto Dominion Bank, 5154 48 Avenue, Delta	180	A. Webb Electric
93-415	Lumberland, Butler Building, Fraser Hwy, Surrey	600	West. Pacific Enterprises
93-421	Money Mart, 2831 Shaughnessy St., P. Coquitlam	85	Four Star Electric
93-424	The Bay, Lougheed Mall, Burnaby	2,300	Canem Systems
93-427	Totem Park Student Resident, UBC	1,500	Elgar Electric
93-430	T & T Supermarket, Metrotown, Burnaby	1,300	A. Webb Electric
93-436	Canadian Western Bank, Fl. 9 & 10, Bentall II, Vancouver	200	Canem Systems
93-439	Social Services, 5760 Minoru Boulevard, Richmond	450	Harbourview Electric
93-445	S. Delta Recreation Centre, 1720 56th Street, Delta	700	Canem Systems
93-446	The Bay, Perimeter Lighting, Lougheed Mall	500	Canem Systems
93-450	Henry Angus Building, U.B.C.	137	Fraser Electric
93-451	CFB Chilliwack, Chilliwack	2,200	Mott Electric
93-456	Scali, McCabe, Sloves, 11th Fl., 1500 West Georgia St, Vancouver	350	State
93-462	Lions Gate Hospital Operating Room, 231 East 15 St., N. Vancouver	800	Elgar Electric
93-466	U.B.C. Student Union Restaurant, Vancouver	244	Fraser Electric

476	Transmountain Pipeline, Coquitlam/Port Moody	400	Houle Electric
478	Sperling Plaza, 6400 Roberts Street, Burnaby,	5,175	Houle Electric
479	Dr.'s Office, 7 & 8 3818 Garden Dr., Kelowna	100	Concord
480	BC Hydro Clayburn Substation, Abbotsford	1,000	S. & S
488	BCIT Fibre Optic Cable, 3700 Willingdon Ave., Burnaby	500	Canem Systems
496	100A Bus Cable, U.B.C., Vancouver	160	R. Morrison Electric
505	Goepel Shield, 701 West Georgia St., Vancouver	300	Del Industries
507	Tower Travel, 1111 W. Georgia St., Vancouver	130	Sasco Systems
509	Aldo Shoes, Willowbrook Mall, Langley	200	Four Star Electric
510	Residence, 1783 Ivans Ct., Kelowna	100	Concord Electric
512	The Bay (Lower), Oakridge	1,100	Canem Systems
513	Steveston Substation, Richmond	1,500	Mott Electric
519	Canada Wildlife Services, Alaksen Centre, Delta	700	Plant-A-Lite
526	Pick N Pay, West Oaks Mall, Clearbrook	140	Ampac Electric
523	CVD Capital Corp., 1111 W. Georgia Street, Vancouver	200	Sasco Systems
529	FCA Offices, 14th Fl., 800 W. Pender St., Vancouver	371	Ampac Electric
533	Lower/Ground Level, Metrotown Centre, Burnaby	385	Four Star Electric
535	Seaboard Life Insurance, 2145 W. Broadway, Vancouver	1,200	Charles Electric
537	Surrey Place Mall, Surrey	240	Four Star Electric
546	The Bay - Orchard Park, Kelowna	150	Concord Electric
569	Paragon Food Equipment, 290 West 3rd Avenue, Vancouver	175	Bemister Electric
576	Rentco Group Amalg., 9274 194 Street, Port Kells	1,400	Ross Morrison Electrical
556	Ten Broeck Elem. School, Abbotsford	2,500	S & S Electric
580	Sport Chek Inter'l, Metrotown	1,300	Harbourview Electric
585	BC Gas LNG Plant, 7651 Hopcott Rd., Delta	500	Mott Electric
TOTAL HOURS TO AUGUST 20, 1993		254,434	



U.A. skilled craftsmen

# UNITED ASSOCIATION

of Journeymen and Apprentices of the  
Plumbing and Pipe Fitting Industry of the  
United States and Canada

LOCAL UNION 488 — Edmonton

16214 - 118 Avenue, Edmonton, Alberta T5V 1M6



Fax # 452-1291

February 28; 1997

To all U.A. Local 488 Members

Re: Results of Market Enhancement Recovery Fund and  
Market Enhancement Trust Fund since October 1992 inception.

Dear Brothers and Sisters,

At our recent ratification meetings, held in both Edmonton and Fort McMurray, a number of individual members approached me regarding the fact that they would appreciate knowing the up to date results of all successful M.E.R.F. and M.E.T.F. jobs, since this program was initiated in October 1992. I remain very pleased to indicate to you that these programs have been exceedingly successful, as the following results indicate.

I would ask each and every member to study these results and identify for yourself many of the jobs that you may have been employed on during these five exceedingly poor years of employment. It remains my belief that many members have worked on these jobs without realizing that they were in fact obtained through difficult bidding by our Union Contractors against those in the non-union sector. In almost every case the jobs listed in the following pages would not have been garnered without massive enabling. Each and every one of these projects were instead gained through usage of the M.E.R.F. and M.E.T.F. funds, with little to no deviation from our full contract wages and conditions.

In closing I would like to say, as your Business Manager/Financial Secretary, that I remain very proud of the initiative taken by our membership in establishing this fund back in 1992. I believe that with continued, albeit lessened, usage during our upcoming economic boom, that this important and necessary vehicle will continue to provide an important tool against future excursions of the non-union sector into our jurisdictions.

Yours fraternally,

Rob Kinsey  
Business Manager/  
Financial Secretary



# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Alaskan Industrial</b>	Alberta Honey Producers	7-25-94	767.5	Completed - December 1994
	Canadian Liquid Air Plant Expansion	4-21-94	408.0	Completed - September 1994
	Weldwood Mill Garage	5-09-94	2,500.0	Completed - November 1994
	Weldwood Mill Garage - Site Services	6-07-94	712.0	Completed - October 1994
<b>Alaskan Industrial - Total</b>		<b>4</b>	<b>4,387.5</b>	
<b>Arpi's Industries</b>	Alberta Honey Producers	2-03-93	1,551.0	Completed - September 1993
	Alberta Hospital - Ventillation	3-15-95	485.0	Completed - October 1995
	Alberta Research Council Labs	10-12-95	4,350.0	Completed - March 1995
	Alberta Research Council - Millwoods	9-29-94	457.0	Completed - October 1995
	Alberta Research Council - Phase III	1-18-96	2,700.0	Completed - June 1996
	Alberta Special WWTC - Swan Hills	7-21-93	3,183.5	Completed - October 1994
	Bank of Montreal - Camrose	2-08-93	1,165.0	Completed - August 1993
	Bharthya Cultural Centre	8-06-96	608.0	ACTIVE
	Bigstone Health Care Centre	11-13-93	239.0	Completed - July 1994
	Biotechnology USDA Facility	8-12-96	2,089.0	ACTIVE
	Bonnie Doon Mall	6-08-93	14,108.0	Completed - December 1994
	Bonnie Doon Mall- Antels	6-08-95	40.0	Completed - August 1995
	Bonnie Doon Mall - Consumers Distribution	2-09-95	174.5	Completed - February 1995
	Bonnie Doon Mall - Tony Romas	9-30-94	844.0	Completed - February 1995
	Bonnie Doon Mall - Zellers Roof Tops	10-17-94	395.0	Completed - December 1994
	Cambell Park - Liquor Store	6-14-96	343.0	ACTIVE
	Canada Place - 15th Floor Cooling	11-06-96	457.0	ACTIVE
	Canada Place - 12/14 Flr Shared Service	1-28-97	215.0	ACTIVE
	Capital Square Renovation	8-11-95	170.0	Completed - January 1996
	Celebration Dinner Theatre	7-18-96	738.0	Completed - November 1996
	Century Place - 9 & 10 Flr Renovation	11-17-95	360.0	ACTIVE
	CFB Edmonton - Building 185 Heating	6-30-95	2,084.0	Completed - April 1996
	CFB Edmonton - Hanger # 5 Addition	9-18-95	3,296.0	Completed - April 1996
	CFB Edmonton - Head Office	9-08-94	257.0	Completed - October 1994
	CN Walker Yard - Repair Fluid Cooler	1-09-97	140.0	ACTIVE
	Commerce Place - 12 Flr Renovation	10-29-96	389.0	ACTIVE
	Devon Coal High-head Lab - Upgrade	11-28-95	292.0	Completed - March 1996
	Devon Coal High-head Lab - Upgrade II	2-07-96	885.0	Completed - March 1996
	Devon Research Centre - Feed Stock Bldg.	2-10-97	295.0	ACTIVE
	DHW Storage Tank Replacement	1-03-97	120.0	ACTIVE
	Eastglen Pool - Mechanical Upgrade	6-08-95	617.0	Completed - December 1995
	Eatons Centre - Talbots	1-03-94	165.0	Completed - April 1994
	Edmonton Law Courts - Chiller Upgrade	1-30-97	255.0	ACTIVE
	Edmonton Remand Centre - Water Heater	6-20-96	385.0	ACTIVE
	Elizabeth Seton School - Renovation	7-22-94	1,076.0	Completed - July 1995
	Emmanuel Place Seniors Complex	3-24-94	6,850.0	Completed - May 1995
	Fish & Wildlife - Relocation	4-13-95	321.0	Completed - July 1995
	Four Portable Classrooms - St. Albert	1-13-95	154.0	Completed - August 1995
	GAP/GAP Kids	1-18-96	160.0	Completed - March 1996
	Gibbons School - Modernization	3-31-94	2,844.5	Completed - April 1995
	Gimbel Eye Centre	8-24-94	474.0	Completed - December 1994
	Heart Lake First Nation - Elementary	8-22-94	280.0	Completed - December 1995
	JG O'Donoghue Bldg	1-18-95	104.5	Completed - April 1995
	Jubilee Auditorium - Mechanical Upgrade	2-29-96	987.0	Completed - December 1996
	Kallin Restaruant Renovations	2-02-96	554.0	Completed - January 1997
	Kate Chegwin School	12-14-92	452.5	Completed - January 1995
	Leo Nickerson School- Addition	6-29-94	133.5	Completed - January 1995
	Lions Park - Redevelopment	7-27-94	400.0	Completed - June 1995



# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
Arpi's Industries Continued	Londonderry Billiards	7-15-95	265.0	Completed - October 1995
	Londonderry Mall - Sport Chek Phase I	9-15-95	1,550.0	Completed - March 1996
	Londonderry Mall - Sport Chek Phase II	11-29-95	120.0	Completed - June 1996
	Londonderry Mall - Sweet Sandras	7-06-95	73.0	Completed - August 1995
	Meadowlark Mall - Sir Donut	11-04-94	255.0	Complete February 1995
	OS Longman Building Exchangers	5-12-94	1,250.0	Completed - December 1994
	PanCanadian Petroleum - Hardisty Office	4-06-95	2,686.0	Completed - October 1995
	Pleasant Valley Lodge - Upgrade	2-17-95	961.0	Completed - June 1996
	RCMP "K" Division	4-08-96	33,383.0	ACTIVE
	Royal Alex - Obstetrical Facility	8-17-93	2,500.0	Completed - April 1994
	Royal Alex - Supply Fan Upgrade	3-08-96	319.0	Completed - November 1996
	Royal Alex - Womens' Centre	8-17-93	1,945.0	Completed - August 1994
	Scotia Bank Renovation - Main Branch	10-17-96	1,101.0	ACTIVE
	Sir George Simpson School	1-26-93	5,000.0	Completed - October 1993
	St. Albert Centre	8-26-94	845.0	Completed - April 1995
	Standard Life Bldg. 7,8 & 9 Flr. Renovation	1-13-97	107.0	ACTIVE
	Sunterra Market	9-01-94	655.0	Completed - January 1995
	Superstore - Edmonton	2-24-93	5,126.5	Completed - January 1994
	Superstore - Grande Prairie	2-24-93	4,444.0	Completed - October 1994
	Swan River Health Centre	11-16-95	510.0	Completed - September 1996
	The Homestead - Vermilion Upgrade	6-26-95	960.0	Completed - September 1996
	Totem Building - Edmonton	9-24-93	361.0	Completed - February 1994
	Turner Park - Picnic/ Washroom Bldg	8-18-94	202.0	Completed - November 1994
	United Feeds Limited	9-15-94	104.0	Completed - March 1995
	U of A - Electrical / Mechanical	5-08-96	257.0	Completed - June 1996
	U of A - PHP Physical Plant	7-19-95	841.0	Completed - October 1995
	Valley Lodge Upgrade (Vermilion)	2-17-95	884.0	Completed - June 1996
	West Edm Mall - Club Fit	12-17-93	209.0	Completed - March 1994
	West Edmn Mall - MEXX	7-18-95	40.0	Completed - September 1995
	West Edmn Mall- Red's Rec Room I	6-06-96	3,845.0	Completed - August 1996
	West Edmn Mall - Sport Chek	8-04-95	246.0	Completed - October 1995
	Westmount Bingo Relocation	10-20-95	327.0	Completed - January 1996
	Westmount Mall - Oriental Gourmet	6-14-96	158.0	ACTIVE
	Westmount Mall - Renovation Phase II	12-14-95	327.0	Completed - June 1996
	West Edmn Mall - Pablo Picasso Restaurant	1-31-96	434.0	Completed - April 1996
	Woodland Cree School	6-08-94	6,900.0	Completed - September 1996
	Workers Comp. Board Buildings	9-26-95	1,050.0	Completed - March 1996
	Workers Comp. Board - Chiller & Boiler upgrade	1-26-94	1,560.0	Completed - May 1994
	Youville Home Renovations	8-31-95	340.0	Completed - December 1996
	<b>Arpi's Industries - Total</b>		<b>86</b>	<b>140,783.5</b>
Brown & Root	AT Plastics - 5R Project (Fab)	7-26-96	700.0	Completed - October 1996
	AT Plastics - 5R Project (Ind)	7-26-96	1,500.0	Completed - October 1996
	AT Plastics Unit #3 Return Gas (Industrial)	4-12-94	400.0	Completed - June 1994
	Bezanson Gas Plant - (Fab)	7-21-94	1,652.8	Completed - October 1994
	Canadian Fertilizer - New Convection (Fab)	11-30-94	2,879.0	Completed - May 1995
	Canadian Fertilizer via Delta (Fab)	5-12-95	2,879.0	Completed - August 1995
	CCR Heater Flame Scanner (Fab)	7-18-94	173.0	Completed - October 1994
	CCR Heater Flame Scanner (Ind)	7-18-94	900.0	Completed - October 1994
	Conwest Sexsmith Gas Plant Pipe (Fab)	11-30-94	11,904.0	Completed - November 1995
	Delta for Pan Canadian & Express (Fab)	7-10-95	3,806.6	Completed - May 1996
	Dow Chemical - Asbestos Upgrade (Ind)	8-10-95	2,000.0	Completed - October 1995
	Dow T 102 Replacement (Industrial)	4-21-94	680.5	Completed - July 1994
	Foster Wheeler - South Korea (Fab)	5-09-96	336.5	Completed - August 1996
	Imp. Oil Strathcona - HTIP Debottleneck (Fab)	6-04-96	2,100.0	Completed - August 1996

## Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Brown &amp; Root Continued</b>	IPL Facility - Hardisty (Fabrication)	5-05-94	4,000.0	Completed - July 1994
	IPL Facility - Hardisty (Industrial)	5-05-94	8,000.0	Completed - October 1994
	Nova Gas - (Fab)	8-10-94	2,454.0	Completed - October 1994
	Nova Mobile Compressor Units (Fab)	11-17-94	4,645.0	Completed - May 1995
	Nova Mobile Compressor Units (Ind)	11-17-94	7,422.0	Completed - June 1995
	Nova - Penhold Valve Assemblies (Fab)	9-01-94	3,322.0	Completed - October 1994
	Sulfur Forming Plant - Malaysia (Fab)	7-02-96	2,000.0	Completed - November 1996
	Sulfur Forming Plant - Malaysia (Ind)	7-02-96	1,800.0	ACTIVE
	Suncor - Piperack & Cable Tray (Fab)	8-09-96	5,000.0	ACTIVE
	Suncor - Piperack & Cable Tray (Ind)	8-09-96	4,500.0	ACTIVE
	TransMountain Pipeline Scraper Trap (Ind)	7-14-94	600.0	Completed - August 1994
	TransMountain Pipeline Scraper Trap (Fab)	7-14-94	249.0	Completed - September 1994
	UOP PSA Skid (Fab)	3-27-96	3,060.0	Completed - August 1996
	UOP PSA Skid - Longview Texas (Fab)	3-06-96	1,500.0	Completed - June 1996
	<b>UOP Valve Skid - Malaysia (Fab)</b>	<b>4-19-96</b>	<b>2,600.0</b>	<b>Completed - August 1996</b>
	<b>Brown &amp; Root - Total</b>		<b>28</b>	<b>83,063.3</b>
<b>Canadian Energy</b>	Nova - Bear Canyon (Fab)	11-29-94	2,142.5	Completed - January 1995
	Nova - Northwest Main # 36 (Fab)	10-25-94	1,300.0	Completed - October 1994
	Nova - Smokey Lake Unit D7 Cooling (Fab)	2-03-95	400.0	Completed - March 1995
	NOVA - Wainwright Compressor Stn (Ind)	7-18-94	1,200.0	Completed - September 1995
	<b>Canadian Energy - Total</b>		<b>4</b>	<b>5,042.5</b>
<b>Canron Construction</b>	Esso Imperial - Westcoast Products (Fab)	9-15-94	1,900.5	Completed - November 1994
	Esso Imperial - Westcoast Products (Ind)	9-15-94	7,155.0	Completed - December 1994
<b>Canron Construction - Total</b>		<b>2</b>	<b>9,055.5</b>	
<b>Canspec Group</b>	Gulf Canada Resources	9-30-93	625.0	Completed - October 1993
	Nova - Saddle & Leming Lake Laterals	1-13-94	3,337.5	Completed - June 1994
	Rainbow Pipeline	12-17-93	3,000.0	Completed - March 1994
<b>Canspec Group - Total</b>		<b>3</b>	<b>6,962.5</b>	
<b>Chancellor Industrial</b>	Dow Chemical - Peroxide Injection (Ind)	11-06-96	1,300.0	ACTIVE
	Dow Chem. - Wet Air Header Winterization (Ind)	11-05-96	1,000.0	ACTIVE
	Dow - Raw Water Upgrade (Ind)	4-08-93	1,800.0	Completed - August 1993
	Genesee - 6" Waterline Truck Wash (Ind)	10-02-96	1,094.0	ACTIVE
	H2 Recovery (Industrial)	5-31-94	7,400.0	Completed - September 1994
<b>Chancellor Industrial - Total</b>		<b>5</b>	<b>12,594.0</b>	
<b>Clearwater Welding</b>	Syncrude Canada - Sparge Piping	1-19-95	1,000.0	Completed - March 1995
<b>Clearwater Welding - Total</b>		<b>1</b>	<b>1,000.0</b>	
<b>Comstock Canada</b>	CN Walker - Wastewater Treatment Plant	5-14-96	2,000.0	Completed - October 1996
	College Plaza - Domestic Water Replacement	9-14-93	10,206.3	Completed - June 1994
	Immaculata Hospital - Westlock	8-23-93	16,000.0	Completed - October 1994
	IPL - Tank Farm Fire Protection (Ind)	5-18-95	2,190.0	Completed - September 1995
	NAIT - ETA Chiller Water System	10-21-94	2,084.0	Completed - April 1995
	Rossdale WWTP - Maintenance	6-16-93	93.5	Completed - August 1993
	Royal Alex - 10" Chilled Water	2-11-94	500.0	Completed - March 1994
	U of A - Turbine Installation	12-09-93	4,400.0	Completed - August 1994
	U of A - Turbine Instrumentation	12-09-93	84.0	Completed - September 1993
<b>Comstock Canada - Total</b>		<b>9</b>	<b>37,557.8</b>	
<b>D &amp; T Industries</b>	Whitecourt Generating Plant	9-15-93	43,321.7	Completed - May 1994
<b>D &amp; T Industries - Total</b>		<b>1</b>	<b>43,321.7</b>	



# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Delta Catalytic</b>	Shall Scottford - Efficiency Gain (Ind)	89-10-95	1,000.0	Completed - October 1995
	Smokey River Coal Fines Expansion (Ind)	7-06-95	3,000.0	Completed - September 1995
	Smokey River Coal Fines Expansion (Ind)	7-06-95	600.0	Completed - October 1995
	<b>Delta Catalytic - Total</b>	<b>3</b>	<b>4,600.0</b>	
<b>Dominion Bridge</b>	AEC - Primrose Gas Plant Modules (Fab)	2-14-97	500.0	Completed - July 1996
	Agrium - Granulation Piping (Fab)	5-22-96	808.2	ACTIVE
	ANG - Gas Plant - Cochrane (Ind)	2-08-94	7,750.0	Completed - June 1994
	Battle River Gen. Stn. - Pump Mod. (Fab)	9-26-95	200.0	Completed - November 1995
	Battle River Gen. Stn. - Pump Mod. (Ind)	9-26-95	166.0	Completed - November 1995
	Cominco Trail - Lead Smelter (Fab)	3-18-96	7,760.0	Completed - October 1996
	Cominco Trail - Small Bore	3-18-96	6,575.0	ACTIVE
	IPL Stations (Fabrication)	4-17-96	2,203.0	Completed - November 1994
	Norcen - Bridle (Fab)	10-11-94	650.0	Completed - February 1996
	Norcen Energy (Fab)	1-11-96	548.0	Completed - November 1994
	Nova - Amber Valley	9-02-94	540.0	Completed - December 1994
	Nova - Assembly (Fab)	10-11-94	1,600.0	Completed - February 1995
	Nova - Denning Lake (Fab)	5-08-95	559.0	Completed - October 1996
	Nova Gas Transmission (Fab)	12-01-94	1,500.0	Completed - November 1995
	Nova - Paul Lake Crossover (Fab)	12-01-94	1,500.0	Completed - June 1995
	Nova - Progress & Beaverlodge (Fab)	10-07-94	1,006.0	Completed - September 1996
	Nova - Saddle Hills (Fab)	8-17-94	1,995.0	Completed - September 1996
	Pillar Oilfield Gas (Fab)	7-10-94	1,006.0	Completed - November 1994
	TransMountain - Foam Piping Mod. (Fab)	8-11-95	3,800.0	Completed - November 1995
	TransMountain - Foam Piping Mod. (Fab)	7-19-96	320.0	ACTIVE
	TransMountain - Foam Piping Mod. (Ind)	7-19-96	2,640.0	Completed - October 1996
	Westcoast Energy - Jedney Meter Stn (Fab)	7-29-96	350.0	Completed - September 1996
	Westcoast Energy - Jedney Meter Stn (Ind)	7-29-96	125.0	Completed - September 1996
	Westcoast Energy - Ledcor (Fab)	5-15-95	176.0	Completed - June 1995
	Westcoast Energy - Ledcor (Fab)	9-15-95	250.0	Completed - May 1996
	<b>Dominion Bridge - Total</b>	<b>25</b>	<b>44,527</b>	
<b>Guthrie Mechanical</b>	Syncrude Auto Shop Bay Wash (Ind)	9-01-95	1,265.3	Completed - May 1996
<b>Guthrie Mechanical - Total</b>	<b>1</b>	<b>1,265.3</b>		
<b>Industra Services</b>	Express Pipeline Spreads 1,2 & 3 (Fab)	7-04-96	1,000.0	Completed - November 1996
	NGTL - Berland River (Fab)	5-13-96	1,050.0	Completed - June 1996
	Noreen - Doe Creek Field Pillar (Fab)	1-07-97	500.0	ACTIVE
<b>Industra Services - Total</b>	<b>3</b>	<b>2,550.0</b>		
<b>Interlock Automation</b>	Dow Chemical - Debutanizer Expansion	7-20-95	260.0	Completed - September 1995
	Gold Bar WWTP - Ultra Violet (Instrumentation)	9-11-95	100.0	ACTIVE
<b>Interlock Automation - Total</b>	<b>2</b>	<b>360.0</b>		
<b>J &amp; N Technical</b>	Dow Chemical JS-9551/9504 Poly Train	6-24-93	2,500.0	Completed - September 1993
<b>J &amp; N Technical - Total</b>	<b>1</b>	<b>2,500.000</b>		
<b>JNJ Instruments</b>	Conwest Exploration - Sexsmith Gas Plant	9-05-95	8,000.0	Completed - July 1996
<b>JNJ Instruments - Total</b>	<b>1</b>	<b>8,000.0</b>		
<b>LEB Installations</b>	Various Food Producers	1-20-95	6,115.5	Completed - January 1996
	Various Food Producers (90 Companies ) Maint.	12-20-95	8,000.0	ACTIVE
<b>LEB Installations - Total</b>	<b>2</b>	<b>14,115.5</b>		

## Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status	
<b>Lockerbie &amp; Hole</b>	Alberta Power Generating Station (Ind.)	6-05-95	2,050.0	Completed - August 1995	
	Alcan - Alcore Storage Coke Hoppers	6-04-96	321.0	Completed - July 1996	
	Bonnie Doon Mill - Mechanical Upgrade	9-05-95	1,425.0	Completed - December 1995	
	Burnewood Booster Stn - Upgrade	3-04-94	117.0	Completed - July 1995	
	Chancery Hall - Chiller Upgrade	10-24-96	1,421.0	ACTIVE	
	City of Edmonton - Maintenance	4-13-95	1,000.0	Completed - April 1996	
	Cloverdale Lift Station	8-16-94	735.5	Completed - February 1995	
	Commonwealth Stadium - Backflow	4-06-94	155.0	Completed - April 1994	
	Ccnor Pacific - Prototype Soils	12-11-95	11,000.0	Completed - November 1996	
	Coral Harbour Fuel Storage (NWT)	6-02-93	4,500.0	Completed - August 1994	
	Cross Connection Control Phase II	10-07-94	129.0	Completed March 1995	
	C. U. Gas Plant - Villeneuve	9-07-95	15,000.0	ACTIVE	
	Duggan Pump Station	4-27-96	298.0	Completed - November 1996	
	Edmonton Northlands	11-15-94	400.0	Completed - December 1994	
	EL Smith - Liquid CO2 System	9-18-96	1,200.0	ACTIVE	
	Fort Good Hope - Power Plant	4-02-93	3,000.0	Completed - August 1993	
	Goldbar WWTP (Fab)	11-23-93	450.0	Completed - May 1994	
	HM Weir - WWTP (Fab)	12-08-94	1,000.0	Completed - April 1995	
	Jackfish Power Plant - Yellowknife (Ind)	8-24-95	1,600.0	Completed - December 1995	
	Rossdale WTP - Intake & Pump Station	12-10-96	10,200.0	ACTIVE	
	Rossdale/EL Smith - Mech. Main	5-24-94	82.0	Completed - May 1994	
	Sledge De-watering Phase II - Redwater (Fab)	8-25-93	2,969.0	Completed - May 1994	
	Sturgeon Heights Pump Station	8-17-93	458.0	Completed - February 1994	
	Sunlife Place Boiler Replacement	8-25-95	990.0	Completed - December 1995	
	Tipton Arena	8-18-94	100.0	Completed - December 1994	
	Tri-Waste Demonstration Treatment	11-23-94	5,400.0	Completed - December 1995	
	Valleyview WWTP (Fab)	6-16-93	2,569.0	Completed - September 1994	
	<b>Lockerbie &amp; Hole - Total</b>		<b>27</b>	<b>118,520.5</b>	
	<b>MDL Industrial</b>	Buffalo Creek Comp. Stn. Recycle Line (Ind)	7-02-96	975.0	ACTIVE
		Celanese - O2 Plant Demolition (Ind)	10-28-94	176.0	Completed - December 1994
CXY Sodium Chlorate Upgrade - Extension (Ind)		8-13-96	4,000.0	ACTIVE	
CXY Sodium Chlorate Upgrade - Phase I (Ind)		9-13-95	10,000.0	Completed - August 1996	
Dow Chem. - Hot Glycol Pump/Steam Inj. (Ind)		8-19-96	300.0	ACTIVE	
Dowelanco Canada - Packaging Revision (Ind)		7-18-94	328.0	Completed - August 1994	
Dowelanco Demolition & Finishing Package (Ind)		10-13-94	800.0	Completed - December 1994	
Dowelanco Maintenance (Ind)		8-12-94	420.0	Completed - September 1994	
Dowelanco - Misc Plant Maintenance		1-31-95	600.0	Completed - December 1995	
Dow - Ft. Sask. C-1000 C17 Reliability (Ind)		11-28-96	775.0	ACTIVE	
Dow - Ft. Sask. C-1000 C17 Reliability Ext. (Ind)		11-28-96	275.0	ACTIVE	
Nova Compressor Stns (Ind)		10-06-95	564.5	Completed - December 1995	
Nova - Four "Lake" Com. Stns (Ind)		10-07-96	625.0	ACTIVE	
Nova - Smokey Lake Stn - Mech. Upgrade (Ind)		8-23-96	200.0	ACTIVE	
Nova - Smokey Lk Comp Stn (Ind)		10-10-96	300.0	ACTIVE	
Nova - Thomas Lk Comp. Stn # 3 (Ind)		9-27-96	420.0	Completed - November 1996	
PraxAir - Ft. Sask. H2 Pipeline Spools (Ind)		11-09-95	355.0	Completed - January 1996	
PraxAir - Mechanical Phase I Bldg Installation		2-21-97	2,950.0	ACTIVE	
Westaim - Antimicrobial Trail Mfg Plant		1-29-97	2,560.0	ACTIVE	
<b>MDL Industrial - Total</b>		<b>19</b>	<b>26,623.5</b>		
<b>NorAlta Metal Fab.</b>	Alta. Envirofuels Inc. (Ind)	2-24-94	710.0	Completed - April 1994	
	IPL Facility - Hardisty (ind)	5-04-94	2,967.5	Completed - August 1994	
	<b>NorAlta Metal Fab. - Total</b>		<b>2</b>	<b>3,677.5</b>	

# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
Nucon Ltd.	Nova - Smokey Lake Comp. Stn (Ind)	2-03-95	1,250.0	Completed - July 1995
	Nova - Wainwright Comp. Stn (ind)	7-19-95	2,500.0	Completed - October 1995
	Miller Western Pulp - Consistency (Maint.)	10-25-95	896.0	Completed - December 1995
	NGTL Berland River - Piping Upgrade (ind)	5-13-96	1,300.0	Completed - July 1996
<b>Nucon Ltd. - Total</b>		<b>4</b>	<b>5,946.0</b>	
Olson Mechanical	Aikenhead's Home Improvement	2-22-94	2,968.0	Completed - December 1994
	Beaumont Elementary Schhol	8-04-94	5,941.0	Completed - September 1995
	Beverly Boston Pizza - 118th Avenue	11-24-95	866.0	?
	Canada Trust	1-31-94	738.0	Completed - July 1994
	Canadian Tire - Sherwood Park	10-26-94	427.0	Completed - May 1995
	Canadian Tire - Sherwood Park Site Work	9-29-94	244.0	Completed - December 1994
	Cartier McGee School	2-18-93	1,387.0	Completed - August 1993
	CFB Edmonton - Hanger # 5 Phase II	11-30-95	12,870.0	ACTIVE
	CFB Edmonton - Refueling Building	3-15-93	3,622.0	Completed - January 1994
	CFB Edmotnon - Tank Facility	2-28-96	1,761.0	
	CIBC Development Corporation	11-09-93	1,080.0	Completed - January 1995
	Core Portable Classrooms	2-10-93	1,245.0	Completed - October 1993
	Dow Building 251BX - Existing Plant	9-30-93	225.0	Completed - November 1993
	Drayton Valley Sports Complex	6-14-94	3,687.0	?
	Drift Pile School	9-09-94	4,745.0	?
	Edmonton Federal Women's Facility	4-05-95	6,818.0	ACTIVE
	Edmonton Photochemical - Chemical Recycle	10-07-93	755.0	Completed - February 1994
	Edmonton Power - HVAC Upgrade	1-17-94	5,981.0	Completed - May 1995
	Edmonton Power - Pardee Building	2-23-95	126.0	Completed - June 1995
	Edmonton Public School Board - Dist. Centre	8-15-96	1,095.0	ACTIVE
	Extended Care - Ventillation System	12-20-98	179.0	ACTIVE
	Extra Foods - Devon	11-07-96	1,788.0	ACTIVE
	Glenrose Rehabilitation Hospital	5-24-94	387.0	Completed - September 1994
	Highlands Golf Course - Clubhouse	5-03-95	1,401.0	ACTIVE
	Jubilee Auditorium - Water Line	11-23-95	136.0	Completed - December 1995
	Leduc Protective Services Bldg	3-26-96	4,403.0	ACTIVE
	London Drugs/Station	2-17-93	173.5	Completed - November 1993
	McDonalds Restaurant - Edmonton	9-23-93	645.0	Completed - July 1994
	Meadowlark Mall - Phase III	3-01-94	629.0	Completed - January 1995
	Meadowlark Mall - Safeway	5-14-93	2,497.0	Completed - November 1993
	Meadowlark Mall - SPA Lady	2-09-94	253.0	Completed - April 1994
	Medley Community Centre	1-09-96	4,094.0	ACTIVE
	MES Maintenance Bldg	7-15-93	703.0	Completed - February 1994
	Michael A Kostec School	2-25-93	4,615.0	Completed - March 1994
	Michelin Tire - Site Work	4-23-93	575.0	Completed - August 1993
	Northtown Mall - Business Depot	9-21-94	326.0	Completed - December 1994
	Northtown Mall - Save on Foods	11-24-94	2,964.0	Completed - March 1995
	Phoenix Piston Hydraulics Facility	8-31-94	2,310.0	Completed - January 1996
	Ponoka General Hospital - Domestic Water	2-22-96	1,025.0	ACTIVE
	Pro Core Renovations	6-24-94	757.0	Completed - August 1994
	Riverbend Jr. High - Portables	3-28-94	702.0	Completed - October 1994
	Royal Alex - Fire Upgrade	5-20-94	189.0	Completed - January 1995
Santa Rosa Arena Renovations	8-04-94	349.0	Completed - January 1995	
Save on Foods - Ft. McMurray	1-24-95	2,996.0	Completed - January 1996	
Stathcona Public Service Yard	9-28-95	3,931.0	ACTIVE	
St. Francis Xavier High School - Renovation	6-13-96	855.0	ACTIVE	
U of A - St. Jean Facility	6-25-95	9,060.0	ACTIVE	
Whitecourt Healthcare- Reno/Addiiton	8-26-96	6,273.0	ACTIVE	
<b>Olson Mechanical - Total</b>		<b>48</b>	<b>110,796.5</b>	



## Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>PCL Industrial</b>	AEC MDL - Sieve Switching Valve Skid (Fab)	12-16-96	750.0	ACTIVE
	ANG Flare Modifications (Fab)	7-05-95	820.0	Completed - August 1995
	Cargill Clavet Pipe (Fab)	10-20-95	457.5	Completed - November 1995
	Colorado Springs - N-40 Skid (Fab)	8-21-95	2,198.5	Completed - November 1995
	Cominco - Zinc Expansion (Ind)	8-23-96	1,200.0	ACTIVE
	Cominco - Zinc Expansion Thermowells (Ind)	9-19-96	250.0	ACTIVE
	Conwest Plant (Fab)	12-08-94	3,100.0	Completed - March 1995
	Conwest Plant (Ind)	12-08-94	1,600.0	Completed - March 1995
	Conwest Plant - Jacketed Piping (Fab)	5-18-95	3,184.5	Completed - October 1995
	Express Pipeline Mainline Pumping (Fab)	7-24-96	1,400.0	Completed - October 1996
	Foothills Pipeline - Sundre Loop (Fab)	8-01-96	500.0	Completed - August 1996
	HA Simons - Steam Jacket Sulphur Piping (Fab)	9-19-96	2,192.0	Completed - December 1996
	Hyundai E-4 Eugene, Oregon (Fab)	5-17-96	5,480.0	
	Lotepro - Cold Box (Fab)	11-29-95	2,288.0	Completed - June 1996
	Norcen Energy Gas Plant - (Fab)	1-31-94	3,345.0	Completed - June 1994
	Norcen Energy Gas Plant (Ind)	1-31-94	5,640.0	Completed - August 1994
	Novacor K-601 & P-371 (Fab)	5-01-96	43.5	Completed - August 1996
	Nova - Meikle River (Ind)	12-06-94	700.0	Completed - February 1995
	Pan Canadian - Express Feed Line (Fab)	7-17-95	69.0	Completed - September 1995
	Pan Canadian - NGL Extraction (Fab)	8-08-95	1,200.0	Completed - October 1995
	Pemex Monguard UOP SKid QS70028 (Fab)	1-06-97	2,534.0	ACTIVE
	Praxair - Bloomington N-40 Skid (Fab)	6-30-95	2,662.5	Completed - October 1995
	PraxAir N-40 Skid Package Assembly(Fab)	3-22-95	3,272.5	Completed - September 1995
	Praxair - Oxygen Boiler Pkg. (Fab)	11-30-95	850.0	Completed - February 1996
	Praxair - Oxygen Compressor SKids	11-09-95	1,350.0	Completed - February 1996
	Praxair - T1500 Oxygen (Ind)	5-26-95	4,400.0	Completed - January 1996
	PSA Skid QS960074 (Fab)	4-25-96	3,398.0	Completed - October 1996
	PSA Skid QS960084 (Fab)	5-10-96	2,334.5	Completed - November 1996
	PSA Skid Fab - Polybed Quantum (QS960085)	5-15-96	1,600.0	Completed - October 1996
	Stolberg Inlet BE Bottleneck (Fab)	9-02-94	447.5	Completed - October 1994
	T-1000 Cold Box Assembly (Fab)	9-13-95	2,000.0	Completed - January 1996
	T-1300 Argon Assembly	12-09-96	4,300.0	ACTIVE
	UOP Polybed QS960023 (Fab)	1-16-96	1,450.0	Completed - May 1996
	UOP Polybed Skid QS960038 (Fab)	2-12-96	835.0	Completed - August 1996
	UOP Polysep Membrane Unit (Fab)	1-16-96	21.5	Completed - October 1996
	UOP PSA Skid QS960067 (Fab)	4-22-96	4,900.0	ACTIVE
	UOP Skid UOP QS960156 (Fab)	11-08-96	3,450.0	ACTIVE
	Westcoast Energy - 1995 S. Mainline (Fab)	6-09-95	4,044.0	Completed - November 1995
<b>PCL Industrial - Total</b>		<b>38</b>	<b>80,267.5</b>	
<b>Pacific Fabricators</b>	ANG - NGL - Extraction Facility (Ind)	3-03-94	4,233.0	Completed - July 1994
	Compressor Stn Unit D-7 (Ind)	2-28-94	1,148.0	Completed - February 1994
<b>Pacific Fabricators - Total</b>		<b>2</b>	<b>5,381.0</b>	
<b>Rivest Testing</b>	Anderson Exploration - Blackfoot/Kenilworth	8-10-93	1,800.0	Completed - November 1993
	Federated - Morinville By-Pass	6-21-93	487.0	Completed - August 1993
	Husky Oil - 33 km Pipeline - Lloydminster	6-17-94	800.0	Completed - September 1994
	Imperial Oil - 95 km of 12 & 16 inch	8-17-93	5,500.0	Completed - November 1993
	Nova - Dismal Creek	6-29-93	244.0	Completed - August 1993
	Nova - Heart River Lateral	6-08-94	789.0	Completed - July 1994
	Nova - Hunt Creek Lateral	11-16-95	2,400.0	Completed - March 1996
	Nova - Wolverine/Cadotte Pipeline	12-01-93	6,223.5	Completed - April 1994
<b>Rivest Testing - Total</b>		<b>8</b>	<b>18,243.5</b>	



# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>RTD Quality Services</b>	Colt Engineering - ANG Plant Cochrane	2-15-95	713.00	Completed - August 1994
	Morrison Petroleum - Small Diameter Pipeline	6-01-94	62.00	Completed - July 1994
	Nova Corp- Lac La Biche/Bonneyville	6-01-94	220.00	Completed - May 1994
	<b>RTD Quality Services - Total</b>	<b>3</b>	<b>995.0</b>	
<b>SE Johnson</b>	Claridge House - Condominiums	6-17-93	682.0	Completed - September 1993
	Edmonton Police Service - West District	2-12-93	6,000.0	Completed - January 1994
	Goose Hummock Banquet Facility	12-16-93	100.0	Completed - May 1994
	Millwoods Assisted Living	8-09-94	753.5	Completed - June 1995
	Misericordia Hosp. - Heat Exchanger	2-01-94	580.0	Completed - June 1994
	Misericordia Hosp. - Heating Pump	10-25-95	88.0	Completed - February 1995
	Misericordia Hosp - Radiation	9-16-94	151.0	Completed - November 1994
	Provost Health Care Centre	4-20-93	1,300.0	Completed - November 1993
	U of A - Metabolic Research Renovation	3-17-94	1,000.0	Completed - August 1994
	Viking Hospital - Medical Gas	11-01-94	341.0	Completed - March 1995
	Viking Hospital - Soft Water	3-22-95	64.0	Completed - April 1995
	<b>SE Johnson - Total</b>	<b>11</b>	<b>11,059.5</b>	
	<b>Schendel Mechanical</b>	1993 - Lift Station Upgrade # 2	7-27-93	410.0
Alexander First Nation - Riviere Que Barre Cont. # 2		3-13-95	610.0	Completed - November 1995
Alexis WTP - Contract # 3		10-23-96	1,672.0	ACTIVE
Allied Boiler Skid (Fab)		12-08-94	360.5	Completed - February 1995
Apex Road - Sewer Trunk Main Upgrade		5-24-96	1,640.0	Completed - September 1996
Archbishop O'Leary High School		7-28-94	2,100.0	Completed - May 1995
Canada Post - Fuel Oil Tank Installation		2-23-96	140.0	Completed - April 1996
Century Place - Condensor Loop Upgrade Phase II		2-05-95	585.0	Completed - July 1995
CFB Cold Lake - Barrack Blk 42 - Renovation		10-04-96	9,763.0	ACTIVE
CFB Cold Lake - Barracks Building # 44		7-04-94	6,180.0	Completed - July 1995
CFB Cold Lake - POL		1-25-94	1,900.0	Completed - July 1994
CFB Cold Lake - Replace Pumps & Sewage		9-08-93	486.0	Completed - March 1994
CFB Cold Lake - Upgrade Battery		11-04-94	165.4	Completed - April 1995
CFB Edmonton - 3PPCLI Light Infantry Bldg		8-12-96	13,764.0	ACTIVE
CFB Edmonton - BTEL Extension Bdg # 192		8-25-93	2,055.0	Completed - July 1994
CFB Edmonton - Building # 176 Boiler Inst.		4-17-96	820.0	Completed - November 1996
Chem Security - Phase III Piping Mod.		5-29-96	373.0	Completed - December 1996
Chem Security - Swan Hills Contract # 2		12-01-95	1,426.5	Completed - May 1996
CHOICE Day Health Centre		6-06-96	3,749.0	ACTIVE
CN Operations Building		6-01-95	1,140.0	Completed - August 1995
Confederation Pool - Dehumidification		6-07-94	415.0	Completed - September 1994
Coronation Arena - Domestic Water		10-27-94	124.5	Completed - January 1995
Cross Cancer - 5th Floor		7-14-94	515.0	Completed November 1994
Cross Cancer - HVAC		1-26-96	200.0	Completed - March 1996
Cross Cancer - New CT Suite		1-28-94	170.0	Completed - March 1994
Cross Cancer - OrthoVoltage Unit 223		8-21-96	165.0	ACTIVE
Devon Coal Research Centre - Energy Retrofit		7-27-95	823.0	Completed - June 1996
Devon Coal Research Centre - High Head Lab		2-09-96	823.0	Completed - June 1996
Devon Coal Research Centre - Upgrades		2-16-95	400.0	Completed - October 1995
Eagle Hardware & Garden Centre		8-05-93	2,450.0	Completed - November 1993
Edmonton Remand Centre - Cell Washroom		3-25-94	1,240.0	Completed - October 1994
Emergency Medical Services - Lendrum & West Dist.		9-27-94	1,208.8	Completed - April 1995
Emergency Response - Joint Comm. Centre		9-23-94	1,052.5	Completed - April 1995
Evansburg - WW Pumping Station Upgrade		11-23-95	435.0	ACTIVE
Fort Assiniboine Water Plant		9-21-94	960.0	Completed - June 1995
Fort Edmonton Park - Water Service		7-14-94	345.0	Completed - September 1994

## Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Schendel Mechanical Continued 1</b>	Fort McPherson Steam Utilidor	9-26-96	430.0	Completed - December 1996
	Glycol Heating System - West End Dumping Stn	9-07-94	173.5	Completed - December 1994
	Goldbar WWTP - Demonstration Scale Plant	11-29-93	2,446.0	Completed - February 1994
	Goldbar WWTP - Digester # 6	11-30-93	695.0	Completed - March 1994
	Goldbar WWTP - WAS Thickening Facility	12-12-96	16,800.0	ACTIVE
	Horse Watering System - Upgrade	10-14-94	274.3	Completed - January 1995
	IGA - Edson	5-03-95	4,789.0	Completed - October 1995
	IKEA - Calgary Trail	7-10-95	1,900.0	Completed - October 1995
	International Airport Building - Addition	8-23-94	2,150.0	Completed - April 1995
	Iqaluit - Apex Road Sewer Trunk Main Upgrading	4-18-95	550.0	Completed - June 1995
	Iqaluit - Water Treatment Plant - Utilidor Replacement	4-19-95	750.0	Completed - June 1995
	John Maland High School Heating	7-05-94	450.0	Completed - October 1994
	Johnson Cove (Rankin Inlet)	6-30-94	2,280.0	Completed - September 1995
	Johnsons Cove - Rankin Inlet (NWT)	7-18-95	2,279.3	Completed - September 1995
	Joussard Water Treatment Plant Upgrade	3-30-95	820.0	Completed - October 1995
	Jubilee Jr. High School	5-24-95	2,302.0	Completed - June 1995
	Jubilee Jr. High School Phase II	6-30-95	759.6	Completed - September 1995
	Kelowna Pollution Control Centre Stage I (Fab)	10-08-96	2,290.0	ACTIVE
	Kinsmen Boiler Replacement	10-21-93	322.0	Completed - July 1994
	Kinsmen Fieldhouse - Boiler Replacement	11-15-95	490.0	Completed - August 1996
	Langer Building	5-08-95	1,450.0	Completed - November 1995
	Misericordia Hospital - Chiller Replacement	5-02-96	3,525.0	ACTIVE
	Mountian View School - Hinton	5-30-96	245.0	Completed - October 1995
	New Calibration Centre	8-03-93	2,100.0	Completed - July 1994
	Nipissar - Replace Spool (Rankin Inlet NWT)	8-01-95	825.0	Completed - December 1995
	Nippissar # 90-5505 (Rankin NWT)	5-24-94	1,104.3	Completed - February 1995
	Notre Dam High School - Red Deer	5-12-95	7,600.0	Completed - June 1996
	Nuvik Subdivision Phase II - Rankin Inlet	5-01-95	4,150.0	Completed - July 1995
	Nuvik Lift Stn, & Manhole covers (NWT)	6-19-96	3,240.0	ACTIVE
	Oakmont Reservoir & Pump Station	12-15-94	6,480.0	Completed - January 1996
	Paddle River WT Plant	3-19-96	1,735.0	ACTIVE
	Parkland County- County Centre	1-30-97	5,900.0	ACTIVE
	Parkland Composite High School - Alterations	5-20-94	180.0	Completed - October 1994
	Parkland Composite High School - Reno. - Edson	5-30-95	600.0	Completed - October 1995
	Peace River WWTP Plant	3-18-96	5,620.0	ACTIVE
	Pioneer School Rocky Mnt. House - Addition	8-08-94	520.3	Completed - January 1995
	Princeton Place - Boiler Replacement	12-12-95	282.0	Completed - January 1996
	Rankin Inlet - 92-5519 Sewage Disposal Facility	5-31-94	1,227.5	Completed - February 1995
	Rankin Inlet - 93-5505 RIWWTP Outfall	5-17-94	753.8	Completed - December 1994
	Rosecrest Home	7-07-94	1,290.0	Completed - November 1994
	Rossdale Water Treatment Plant	11-30-94	1,835.0	Completed - May 1995
	Safeway Store # 814 - Manning Crossing	10-13-94	3,600.0	Completed - July 1995
	Shangri-la Lodge - Drayton Valley	8-27-93	640.0	Completed - November 1993
	Stellar Pump Station - Kelowna (Fab)	1-24-97	685.0	ACTIVE
	Stellar Pump Station - Kelowna (Field)	1-24-97	1,070.0	ACTIVE
Stony Plain Municipal Hospital - Addition	6-28-94	190.0	Completed - November 1994	
Sucker Creek Pumphouse	4-02-96	585.0	ACTIVE	
Sunlife Domestic Water Booster	8-15-96	300.0	ACTIVE	
Town of Didsbury - Sewage Treatment	11-01-94	166.0	Completed - February 1995	
Town of Lacombe - 1994 Utilities	4-11-94	240.0	Completed - October 1994	
Town of Provost - WT Plant	3-12-96	3,350.0	ACTIVE	
Wabamum Mitigation Project - Foundation	8-22-96	1,780.0	ACTIVE	
Warburg Sewage Lift Station	5-22-96	732.0	ACTIVE	
Whitehorse General Hospital (Fab)	7-18-95	9,000.0	ACTIVE	



## Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Schendel</b>	Whitehorse General Hospital	10-01-95	1,457.0	Completed - July 1996
<b>Mechanical</b>	Williams Lake Pumphouse (Rankin Inlet NWT)	7-27-95	1,080.0	Completed - June 1996
<b>Continued 2</b>	Winterburn School- Modernization	6-09-94	539.0	Completed - February 1995
	Zone 2 Pumphouse - Upgrade	2-14-95	578.0	Completed - April 1996
	<b>Schendel Mechanical - Total</b>	<b>92</b>	<b>180,271</b>	
<b>Wil Mechanical</b>	Canadian Liquid Air	7-14-94	1,800.0	Completed - September 1994
	Canadian Liquid Air - Strathmore Plant	9-18-95	731.0	Completed - November 1995
	CFB Mess/Dining Facility	6-20-96	11,800.0	ACTIVE
	Dow Chemical - MCC & Pelletizer Bldg	10-05-93	419.0	Completed - December 1993
	Dow Chemical - Remote Fire Monitors	7-17-96	2,650.0	ACTIVE
	Francis Winspear Centre	12-06-94	13,500.0	Completed - October 1996
	NewAlta Waste Proc. Fac. - Tank Farm	12-20-95	3,860.0	ACTIVE
	PLH Aviation - Oil Water Separator	7-31-95	715.0	Completed - November 1995
	Raylo Chemical - Pipe Racks (Ind)	12-18-96	8,354.0	ACTIVE
	Southgate - Eatons Store	12-17-93	3,055.5	Completed - November 1994
	Southgate - Meter Revisions	4-19-94	533.0	Completed - June 1995
	<b>Wil Mechanical - Total</b>	<b>11</b>	<b>47,417.5</b>	
<b>Williams Plumbing</b>	Canada Post	11-10-94	120.0	Completed - December 1994
	Chemical Alberta Lab	8-17-93	180.0	Completed - November 1993
	Chem Security - Swan Hills	8-15-93	660.0	Completed - April 1994
	Cohos Evamy - Roof Drains	4-28-95	80.0	Completed - June 1995
	City of Edmonton - Maintenance	4-13-95	3,000.0	ACTIVE
	David Henderson Intercheque	10-28-93	476.5	Completed - May 1994
	Dow - Ft. Sask. Fire Training Ground Stage II	1-19-95	200.0	Completed - April 1995
	EL Smith Foride Room - Maintenance	11-16-93	80.0	Completed - January 1994
	EL Smith - Install Flowmeters	10-27-93	200.0	Completed - December 1993
	EL Smith & Rossdale - Maintenance # 2	9-13-96	194.0	Completed - October 1993
	EL Smith WTP - Lab & Analyzer Rooms	12-05-95	450.0	Completed - February 1996
	Five (5) houses - Various Owners	8-16-93	1,000.0	Completed - April 1994
	Grant McEwan - Relocate Physics Lab	8-15-94	450.0	Completed - October 1994
	Groveland Development	3-29-93	331.3	Completed - April 1994
	Muddy Waters Cafe	7-09-94	250.0	Completed - October 1994
	Petro Canada Blending - Controls Upgrade	3-22-96	825.0	ACTIVE
	Phos Control Centre - Redwater	9-17-93	325.0	Completed - January 1994
	Raylo Chemical - Boiler replacement	10-09-96	500.0	ACTIVE
	Suncor Office Bldg - Upgrade	4-18-96	3,900.0	ACTIVE
	Travis Chemical	5-23-95	200.0	Completed - August 1995
	Water Service Connection - Ardrossan	8-24-93	220.0	Completed - December 1993
	Western Supplies - Roof Drains	9-06-94	225.0	Completed - October 1994
	Westmount Mall - Safeway	11-09-94	300.0	Completed - March 1995
	Young Offenders Centre - Water Heaters	3-04-96	180.0	ACTIVE
	<b>Williams Plumbing - Total</b>	<b>24</b>	<b>14,346.8</b>	
<b>Wray's Mechanical</b>	Athabasca Hospital upgrade	3-07-94	422.0	Completed - June 1994
	Donnan Arena Phase II	5-05-95	80.0	Completed - August 1995
	Edmonton Institution - Install HVAC	1-11-96	280.0	Completed - April 1996
	Royal Alex - Decanting of Cardia - 2nd Floor	1-02-96	175.0	Completed - January 1996
	Royal Alex - Obstetrics Bridge Link	9-29-95	410.0	ACTIVE
	Royal Alex - Psychiatric Rooms	12-11-95	1,242.0	Completed - June 1996
	U of A - East Point Stack Bldg	6-17-93	1,856.0	Completed - January 1994
	U of A Hospital - Phase II Humid	5-10-95	2,688.0	ACTIVE
	U of A Hospital - Station # 84	3-24-94	60.0	Completed - April 1994

# Market Enhancement Recovery Fund - Construction Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
Wray's Mechanical Continued	U of A Hospital - Tunnel to Old Nurses Building U of A - Water Meters	8-28-95 3-16-93	96.0 60.0	Completed October 1995 Completed - May 1993
	<b>Wray's Mechanical - Total</b>	<u>10</u>	<u>7,369.0</u>	

## CONSTRUCTION DIVISION - SUMMARY

Total Contractors	31
Total Projects	478
Total Manhours	1,047,220
Total Dollars Generated to our members	<u>\$25,646,428.36</u>
<b>@ 4'th Year Rate (Expired Rate)</b>	
<b>Including Benefits</b>	

# Market Enhancement Recovery Fund - Refrigeration Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Astro Mechanical</b>	Athabasca Provincial Building	2-18-94	60.0	Completed - March 1994
	Edmonton - Baptist Seminary	11-18-93	40.0	Completed - November 1994
	Suncor Emission	9-06-94	1,030.0	Completed - November 1994
	Sunland Foods	11-18-93	40.0	Completed - April 1994
<b>Astro Mechanical - Total</b>		<b>4</b>	<b>1,170.0</b>	
<b>Black &amp; McDonald</b>	Alberta Farms - Chiller Containment	5-26-95	58.0	Completed - August 1995
	ATB Plaza - Cross Connection Control	9-23-94	72.5	Completed - February 1995
	ATCO Milner Bldg Renovation	10-14-94	126.0	Completed - February 1995
	Baker Centre - Mechanical Modif.	9-30-96	260.0	ACTIVE
	Bonnie Doon - Sears (Maint.)	5-26-95	1,250.0	ACTIVE
	Calgary Correctional Centre (Maint.)	8-10-94	320.0	Completed - August 1996
	Calgate/Palmolive (Maint)	5-12-95	300.0	ACTIVE
	Canadian Airlines Calgary (Maint)	8-12-94	2,190.0	Completed - August 1996
	College Plaza - Chiller Upgrades	4-20-95	9.0	Completed - June - 1995
	Copy Room Installation	7-03-96	72.0	ACTIVE
	Eaton Centre - High Eff. Purge Install	7-25-94	43.5	Completed - October 1994
	Eaton Centre - HVAC (Maint.)	7-29-94	45.0	Completed - July 1995
	Eaton's Centre - Chiller (Maint.)	7-28-94	255.0	ACTIVE
	Eatons Centre Chiller Upgrades	5-12-95	186.0	ACTIVE
	Eatons Centre - HVAC (Maint.)	12-04-95	200.0	Completed - October 1996
	Great West - Chiller Containment	5-20-96	123.0	ACTIVE
	Headhunters Diesel Ltd	5-30-95	240.0	ACTIVE
	Hinton Forestry School - APWS	7-20-94	43.0	Completed - August 1994
	Holly Point Condo's (Maint)	6-16-95	600.0	ACTIVE
	Kuehne & Nagel (Maint.)	1-12-96	280.0	ACTIVE
	Leduc/Strathcona Health Units (Maint.)	10-19-95	150.0	Completed - June 1996
	Leduc/Strathcona Health Units (Maint.)	6-28-94	48.5	Completed - June 1995
	Legislature Annex Building	4-21-95	62.0	Completed - May 1995
	Lynwood/Dickensfield Ext. Care	12-21-95	83.5	Completed - March 1996
	Metropolitan Place - Chiller Repairs	10-05-95	272.0	Completed - December 1995
	MTE - HAVAC (Maint.)	5-12-95	1,250.0	ACTIVE
	Northern Telecom (Maint. 1)	1-04-94	1,307.8	Completed - December 1994
	Northern Telecom (Maint. 2)	3-09-95	1,069.5	Completed - December 1995
	Northern Telecom (Maint. 3)	1-23-96	1,500.0	Completed - December 1996
	Northern Telecom (NORTEL) Maintenance	12-11-96	1,500.0	ACTIVE
	Peppertree Chiller Repairs	4-25-96	107.0	ACTIVE
	Petro Canada Refinery - HVAC (Maint)	5-22-96	2,500.0	ACTIVE
	Petro Canada Refinery (Maint.)	6-08-94	2,080.0	Completed - June 1995
	Petro Canada Refinery (Maint.)	3-29-96	132.0	Completed - April 1996
	Petro Canada Refinery -Mechanical (Maint.)	5-26-95	1,849.2	Completed - May 1996
	Petro Can. Refinery - Control Rm Cooling	6-28-96	48.0	ACTIVE
	Priority Printing - Edmonton	5-10-96	60.0	ACTIVE
	RCMP Calgary - Airport Road (Maint.)	6-25-96	240.0	ACTIVE
	RCMP Calgary (Maint.)	3-22-94	700.0	Completed - March 1996
	Royal Alex - Chiller Containment	12-22-95	102.0	Completed - March 1996
	Royal Bank Calgary (Maint.)	4-25-96	900.0	ACTIVE
	Scotia Place - Pneumatics & HVAC	1-08-97	275.0	ACTIVE
	Sears Chiller Motor Repair	8-09-94	194.0	Completed - February 1995
	Sears Containment Projects	5-16-95	58.5	Completed - July 1995
	Shopper Drug - 120 St. & Jasper	5-19-95	16.0	Completed - November 1995
	St. Joe's High School - Chiller Upgrades	4-20-95	26.0	Completed - May 1995
	Sunlife - Various Buildings	12-16-96	249.0	ACTIVE
TransAlta Util Calgary - Chiller Repairs	9-29-95	240.0	Completed - February 1996	
TransAlta Utilities - HVAC (Maint)	6-26-96	414.0	ACTIVE	



## Market Enhancement Recovery Fund - Refrigeration Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Black &amp; McDonald Continued</b>	TransAlta Utilities - HVAC (Maint)	6-26-96	414.0	ACTIVE
	West Edmn Mall - Eatons Motor Repairs	7-25-94	184.5	Completed - January 1995
	West Edmn Mall - Phase II High Eff. Purge	8-08-94	77.0	Completed - October 1994
	West Edmn. Mall Ph. II - Chiller PM (Maint.)	10-22-95	549.0	ACTIVE
	West Edmn. Mall - Roof Top Units (Maint.)	5-27-96	1,840.0	ACTIVE
	West-End Medical	10-19-94	280.0	Completed - February 1995
<b>Black &amp; McDonald - Total</b>		<b>54</b>	<b>27,451.4</b>	
<b>Cimco Refrigeration</b>	Big Rock Brewery - Calgary	9-06-95	1,400.0	ACTIVE
	City of St. Albert - Maintenance	9-05-95	29.5	Completed - August 1996
	Corporate Bakeries Ltd.	12-02-96	4,400.0	ACTIVE
	County of Strathcona - Chiller Replacement	6-05-95	229.0	Completed - June 1996
	Crossfield Arena	12-15-93	111.3	Completed - October 1994
	Dairy World - Ice Builder Addition	8-17-94	260.0	Completed - October 1994
	Dairy World Ice Cream	9-05-95	3,500.0	ACTIVE
	Delburne Arena - Plant Room	3-15-94	299.5	Completed - April 1995
	Didsbury Arena - Relocation	7-14-94	570.0	Completed - October 1994
	Gainers - Thermo Syphon & Screw Pack	12-20-94	792.5	Completed - September 1995
	Granite Curling Club	4-15-94	176.0	Completed - January 1995
	Jasper Place Arena - Renovation	3-31-95	358.3	Completed - July 1995
	Lac La Biche Arena - Pack	3-22-95	510.5	Completed - July 1995
	Lakeside Packers	4-17-96	4,200.0	Completed - September 1996
	Lakeside Packers Phase III	6-14-96	6,000.0	ACTIVE
	Lidkey Foods	6-09-95	932.0	Completed - February 1996
	Lucerne Foods - Milk Plant	9-14-95	400.5	Completed - January 1996
	McLennan Arena - Retrofit	6-07-95	78.0	Completed - October 1995
	Northeast Sportplex Twin Arena - Ammonia	9-16-94	2,017.5	Completed - September 1995
	Plamondon Arena - Retro Fit	6-21-95	166.0	Completed - August 1995
	Red Deer Arena	3-31-95	142.0	Completed - November 1995
	Retrofit Compressor Room - Sherwood Park	5-04-94	67.5	Completed - October 1994
	Rose Kohn Arena - Ice Plant Replacement	2-15-95	570.0	Completed - August 1995
	Sabo Enterprises - Maintenance	3-10-94	195.0	Completed - April 1994
	Santa Rosa Arena - Edmonton	7-14-94	759.0	Completed - April 1995
	Scott National - Construction	10-19-94	1,866.8	Completed - May 1995
	St. Paul - Header Replacement	7-19-96	280.0	ACTIVE
	Stu Pepard Arena - Calgary	5-03-95	476.5	Completed - September 1995
	Swan Hills Arena	3-23-94	360.0	Completed - May 1994
	Two Hills Chiller Installation	11-24-93	49.5	Completed - February 1994
	Western Quality Meats - Calgary	1-05-94	40.0	Completed - April 1994
<b>Cimco Refrigeration - Total</b>		<b>31</b>	<b>31,236.8</b>	
<b>Coral Engineering</b>	Beau Village (Maint.)	10-11-94	450.0	ACTIVE
	Canadian Turbo Inc. (Maint)	5-15-96	4,200.0	ACTIVE
	Canada Safeway - HVAC Maintenance	1-24-94	22,500.0	ACTIVE
	Centre Corp Strip Malls ( Maint.)	8-25-95	1,500.0	ACTIVE
	Chinese Cultural Centre (Maint)	8-22-94	350.0	Completed - August 1996
	Famous Players - Westhills (Maint)	7-15-96	1,344.0	ACTIVE
	Hillhurst Sunnyside Community Association	12-10-93	6.0	Completed - October 1994
	Hillhurst /Sunnyside Community (Maint)	11-21-94	160.0	Completed - November 1996
	Huntington Hills Community Association	12-10-93	100.0	Completed - December 1994
	Market Place Callingwood (Maint)	8-26-94	1,050.0	ACTIVE
	ML Brown Building (Maint)	3-02-94	150.0	Completed - December 1996
	Oliver Square Shopping Centre (Maint)	6-01-94	360.0	ACTIVE



# Market Enhancement Recovery Fund - Refrigeration Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
<b>Coral Engineering Continued</b>	Parsons Building (Maint.)	9-09-94	495.0	ACTIVE
	Polish Community Centre - Hvac (Maint.)	5-29-95	300.0	ACTIVE
	Royal Bank - Red Deer	6-06-94	285.0	ACTIVE
	Southpark Mall - HVAC (Maint.)	6-28-96	2,400.0	ACTIVE
	Sunridge Professional Bldg. (Maint.)	5-17-94	420.0	ACTIVE
	Value Village Store (Maint.)	10-19-94	750.0	ACTIVE
	West Edm Mall - Canadian Tire (Maint.)	5-24-94	450.0	ACTIVE
	West Edmn. Mall - Canadian Tire	5-11-94	20.0	Completed - May 1994
<b>Coral Engineering - Total</b>		<b>19</b>	<b>37,290.0</b>	
<b>Edmonton Refrig.</b>	Bedford Holdings	9-28-94	20.5	Completed - February 1995
	Beverly IGA	7-14-95	300.0	Completed - June 1996
	Canada Safeway	1-24-94	934.3	Completed - February 1995
	Canada Safeway Store # 806	5-12-94	369.0	Completed - June 1994
	Canada Safeway Store # 848	8-26-96	1,875.0	ACTIVE
	Canada Safeway Store # 888	12-09-94	2,833.0	Completed - August 1995
	County of Parkland	10-07-94	450.0	Completed - November 1994
	Delcon Development (Cold Beer Store)	11-19-93	40.0	Completed - December 1993
	Edmonton Inn	4-21-94	32.3	Completed - September 1994
	Franklins Inn - Sherwood Park	9-28-94	6.5	Completed - December 1994
	Hay River Abattoire & Processing Facility	9-23-94	713.0	Completed - March 1995
	Home & Pitfield Limited (maint.)	12-04-93	2,408.5	Completed - November 1995
	Home & Pitfield - Walk in Coolers (Maint.)	11-24-94	1,875.0	Completed - February 1996
	IGA Garden Market 5 Locations (Maint.)	1-25-96	15,732.0	ACTIVE
	IGA Garden Market - Canmore (Maint)	10-26-95	9,508.1	ACTIVE
	IGA - Meadowview Gardens (Maint.)	1-08-96	3,036.8	ACTIVE
	McKinley Taylor Production ( Maint.)	10-28-94	1,000.0	ACTIVE
	MT Management Ltd	3-21-94	300.0	Completed - February 1995
	Mullen's Pump Service	7-12-94	92.3	Completed - February 1995
	Sawmill Restaurant (Maint.)	9-09-94	82.3	Completed - September 1996
TCC Bottling - Coke (Maint.)	8-02-94	468.5	Completed - August 1996	
The Good Samaritan Society	4-07-94	4.0	Completed - November 1994	
YWCA (5) Buildings	9-30-95	45.0	Completed - February 1995	
<b>Edmonton Refrigeration - Total</b>		<b>23</b>	<b>42,126.0</b>	
<b>Gateway Refrig. Calgary</b>	Canada Safeway # 218 Renovation	10-04-96	4,500.0	ACTIVE
	Canada Safeway # 241	11-14-95	4,000.0	Completed - December 1996
	Canada Safeway # 291	6-05-96	3,000.0	ACTIVE
	Canada Safeway - Deli Renovations	4-16-96	3,000.0	ACTIVE
	Cineplex Odeon Corp	5-31-96	250.0	ACTIVE
	Co-Op # 1	1-29-97	800.0	ACTIVE
	Co-Op # 11 Renovation	11-08-96	100.0	ACTIVE
	Co-Op # 12 Renovation	11-08-96	200.0	ACTIVE
	Deer Valley Co-Op	6-19-95	2,300.0	Completed - September 1996
	Extra Foods - High River	7-28-95	2,000.0	Completed - October 1996
	Federated Co-Op Warehouse (Maint.)	3-07-96	600.0	ACTIVE
	Hana Grocery People Store	8-12-96	1,200.0	ACTIVE
	Pincher Creek Co-Op	3-06-96	788.5	Completed - October 1996
	Royal Lepage - Calgary	10-07-96	100.0	ACTIVE
	<b>Gateway Refrigeration Calgary - Total</b>		<b>14</b>	<b>22,838.5</b>
<b>Honeywell Limited</b>	Air Traffic Control ( Calgary)	7-27-94	1,343.0	Completed - August 1996
	Alberta Childrens Hospital	11-08-95	340.0	Completed - October 1995
	Alberta Environment Centre	2-28-96	800.0	ACTIVE

## Market Enhancement Recovery Fund - Refrigeration Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status	
<b>Honeywell Limited Continued</b>	Alberta Public Works - High Eff. Purge	1-11-95	120.0	Completed - March 1995	
	Banff Prairie Lodge	7-11-94	192.0	Completed - September 1994	
	City of Medicine Hat (Maint.)	3-05-96	3,800.0	ACTIVE	
	John E. Brownlee Bldg - Upgrade	2-17-95	275.5	Completed - June 1995	
	Michener Centre North - Controls Upgrade	1-31-96	300.0	ACTIVE	
	Old's Hospital - Design/Build Project	11-23-96	289.0	ACTIVE	
	Peter Lougheed Hospital - Chiller Rebuild	7-14-94	208.0	Completed - September 1994	
	Red Deer Remand Centre - Trans Chiller	4-06-95	22.0	Completed - April 1995	
	Seven Eleven Can. HVAC Repair & Maint.	2-23-96	2,000.0	ACTIVE	
	Sunridge Mall - Chiller Repair	8-30-94	192.0	Completed - October 1994	
	Sunridge Mall (Maint)	11-15-95	1,248.0	Completed - September 1996	
	Sunridge Mall - (Maint.)	7-15-94	1,187.0	Completed - May 1995	
	TransAlta Utilities - Chiller	1-05-95	190.0	Completed - February 1995	
	<b>Honeywell Limited- Total</b>		<b>15</b>	<b>12,506.5</b>	
	<b>Johnson Controls</b>	Imperial Oil Strathcona (Maint)	10-26-95	6,240.0	ACTIVE
U of A (Maintenance)		5-21-96	1,500.0	ACTIVE	
Viridian - Red Water (Maint.)		1-12-96	12,480.0	ACTIVE	
<b>Johnson Controls - Total</b>		<b>3</b>	<b>20,220.0</b>		
<b>Pace Industrial</b>	J & D Trading	4-30-96	130.0	ACTIVE	
	<b>Pace Industrial - Total</b>		<b>1</b>	<b>130</b>	
<b>Standard Mechanical</b>	Millwoods Towne Center	12-16-93	64.0	Completed - January 1994	
	<b>Standard Mechanical - Total</b>		<b>1</b>	<b>64.0</b>	
<b>T &amp; P Mechanical</b>	50 Street - Hiways Project	11-25-93	252.0	Completed - January 1995	
	Brownlee Building	2-15-94	12.5	Completed - January 1995	
	Court of Appeals - Air Compressor Install	1-26-95	246.5	Completed - January 1996	
	Edm. Remand Centre - Chiller Purge	2-02-95	40.0	Completed - March 1995	
	Esso Southland Distribution (Maint.)	5-03-96	1,500.0	ACTIVE	
	Government Centre (Maintenance)	4-06-96	498.5	ACTIVE	
	McLeod Building (Maintenance)	1-31-96	400.0	ACTIVE	
	Modifications of Free Cooling - Construction	4-27-94	70.0	Completed - June 1994	
	Neil Crawford Centre (Maintenance)	12-16-96	1,500.0	ACTIVE	
	Neil Crawford - Mechanical Upgrade	4-15-96	1,500.0	Completed - December 1996	
	Reynolds Alberta Museum	4-19-94	150.0	Completed - July 1994	
	Single Mens Hostel	1-10-96	600.0	ACTIVE	
	Solicitor General Staff - (Maintenance)	12-14-95	2,000.0	ACTIVE	
	Supply Centre - Modify HVAC	6-13-96	2,000.0	ACTIVE	
	WCB Rehabilitation Centre	4-01-96	128.5	Completed - July 1996	
<b>T &amp; P Mechanical - Total</b>		<b>15</b>	<b>10,898.0</b>		

### REFRIGERATION DIVISION - SUMMARY

Total Contractors	11
Total Projects	180
Total Manhours	205,931.1

Total Dollars Generated to our members	<u>\$4,993,829.18</u>
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@ 4th Year Apprentice Rate April 1, 1997

## Market Enhancement Recovery Fund - Sprinkler Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status
Grinnell Fire	A & B Sound Store	9-12-94	334.0	Completed - December 1994
	AGT Toll Building	12-09-93	136.0	Completed - May 1994
	Alberta Energy Corp (Mildard Lk, Cold Lk, Edm.)	4-13-95	1,160.0	Completed - May 1996
	Alberta Plastics	9-13-95	320.0	Completed - December 1995
	Alexis First Nation School	10-27-93	208.0	Completed - September 1994
	Archbishop O'Leary School	7-28-94	376.0	Completed - January 1995
	ASME/ADS Refuelling Building	3-15-93	424.0	Completed - May 1994
	Blackfalds Arena - Blackfalds AB	11-09-95	250.0	Completed - February 1996
	Borden Packaging - 156 Street	9-05-95	920.0	Completed - December 1995
	Brewster Pub	7-27-95	120.0	Completed - September 1995
	Buchanan Lumber - High Prairie	1-18-96	300.0	Completed - September 1996
	CFB Edmonton - Fitness Facility	7-09-96	400.0	ACTIVE
	CFB Edmonton - Singles Quarters	7-23-96	2,300.0	ACTIVE
	CFB Edmonton - Tank Maintenance Facility	2-21-96	180.0	ACTIVE
	CFB Wainwright - PPCLI Battle School	5-03-96	1,760.0	ACTIVE
	Cineplex Odeon Cinemas	5-07-96	420.0	Completed - November 1996
	City of Edmn. Maintenance	10-13-94	1,500.0	Completed - October 1995
	Coliseum Retrofit	7-12-94	2,874.0	Completed - September 1994
	Colonial Estates School	8-02-94	640.0	Completed - November 1995
	Co-Op Store (Camrose Alta)	1-04-95	300.0	Completed - October 1995
	Drader Manufacturing	10-10-96	350.0	ACTIVE
	Drayton Valley Power	5-28-96	720.0	ACTIVE
	Eagle Hardware	5-07-93	1,600.0	Completed - November 1993
	Edm. Federally Sentenced Women's Facility	4-05-95	908.0	Completed - December 1996
	Edmonton Northlands - Grandstand	12-19-94	4,000.0	Completed - September 1995
	Extra Foods - Edson	9-07-95	326.0	Completed - March 1996
	Flexxaire Manufacturing	8-27-96	120.0	ACTIVE
	Ford Distribution Centre	6-08-93	680.0	Completed - June 1994
	Fort Edmn. Park - Streetcar Barn	7-14-94	200.0	Completed - November 1994
	Fort Edmn. Park - Train Shed	7-14-94	140.0	Completed - October 1994
	Gambit Products Ltd,	8-20-96	200.0	ACTIVE
	Grande Cache Institution	1-30-96	2,600.0	Completed - September 1996
	Griffith Oil Tool	11-20-96	200.0	ACTIVE
	Griffith Oil Tool - Edmnt	9-28-95	340.0	Completed - February 1996
	Highland Corod - Nisku	1-10-95	342.0	Completed - March 1996
	High Level Forest Prod (Dry Kilns)	8-18-93	242.0	Completed - November 1993
	High Level Forest Products	5-27-93	370.0	Completed - November 1993
	Hobbema Correctional Facility	8-22-95	1,100.0	Completed - November 1996
	IGA - Beaumont AB	8-09-95	300.0	Completed - March 1996
	Igloo Building Supplies	11-18-94	635.0	Completed - April 1995
	J Ennis Fabrics - Addition	6-19-96	450.0	ACTIVE
	K Mart Store - Grande Prairie	5-12-94	1,000.0	Completed - December 1994
	La Cite' Francophone - Edmonton	1-17-96	820.0	ACTIVE
Laidlaw Waste Management	3-05-93	320.0	Completed - November 1995	
Michael Kostek School	2-22-93	502.0	Completed - January 1994	
Micheline Tire	6-30-93	758.0	Completed - June 1994	
Micheline Tire - Pump Room	7-15-93	162.0	Completed - June 1994	
Miller Western Industries - Sawmill	11-14-94	1,674.0	Completed - June 1994	
Montana Community School	2-21-96	540.0	ACTIVE	
Morinville Community - High School	12-03-92	1,100.0	Completed - February 1994	
Parliment Place Condominiums	2-23-95	760.0	Completed - November 1995	
Pioneer School - Rocky Mnt. House	8-10-95	832.0	Completed - October 1996	
RCMP "K" Division	3-28-96	3,700.0	ACTIVE	
Revelstoke 170 Street & 100 Ave	12-03-93	1,118.0	Completed - December 1994	



## Market Enhancement Recovery Fund - Sprinkler Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status	
<b>Grinnell Fire Continued</b>	Revelstoke - Calgary Trail	7-21-93	825.0	Completed - May 1994	
	Royal Alexandra 3rd Floor Obstetrics	8-12-93	123.0	Completed - February 1994	
	Royal Alex - Fire Upgrade	5-18-94	316.0	Completed - January 1995	
	Royal Alex - Human Resources	12-07-95	100.0	Completed - March 1996	
	Royal Alex - Psychiatric Inpatient	12-08-95	704.0	Completed - April 1996	
	Royal Alex - Women's Health Phase II	12-20-95	160.0	Completed - April 1996	
	Ruttan Manufacturing	7-26-95	160.0	Completed - December 1995	
	Save on Foods - Northtown Mall	11-24-94	502.0	Completed - February 1995	
	Scott National - M.T.E.	2-15-95	764.0	Completed - September 1995	
	Stettler Twin Arenas	7-09-93	747.0	Completed - June 1994	
	Strathcona/Leduc Health Units	12-17-92	435.0	Completed - June 1994	
	Sunland Foods	11-30-93	874.0	Completed - June 1994	
	Superstore - Edmonton	2-24-93	832.0	Completed - October 1993	
	Superstore - Grande Prairie	2-24-93	864.0	Completed - August 1993	
	Swan Hills Expansion	4-20-93	2,860.0	Completed - October 1993	
	Totem Building Supplies - Edmonton	9-28-93	228.0	Completed - June 1994	
	Trans Mountain Pipeline	10-20-95	160.0	Completed - January 1996	
	U of A Cameron Library	8-10-95	450.0	Completed - February 1995	
	U of A - Students Union Building	3-19-96	900.0	ACTIVE	
	U of A - Tory Building	6-16-94	2,656.0	Completed - December 1994	
	Unisource Canada Inc	9-01-93	580.0	Completed - June 1994	
	Weston Building	9-14-93	150.0	Completed - June 1994	
	Whitefish Daycare	8-16-96	240.0	ACTIVE	
	Zeidler - Slave Lake	7-08-94	350.0	Completed - August 1994	
	<b>Grinnell Fire - Total</b>		<b>77</b>	<b>60,011.0</b>	
	<b>SenPar Fire</b>	ARC Millwoods - Upgrade	2-18-93	848.0	Completed - June 1994
		BFI Waste	9-14-95	464.0	Completed - April 1996
		Century Place - 13th Floor	1-05-95	232.0	Completed - March 1995
CFB Edmonton - Supply Building # 171		11-28-94	171.0	Completed - June 1995	
Clairview Towne Centre - Future Shop		6-30-95	256.0	Completed - November 1995	
Coast Home Fair		3-22-95	328.0	Completed - November 1995	
Edmonton Letter Processing		12-30-93	360.0	Completed - March 1994	
K-Bro Linen Systems		10-18-94	232.0	Completed - January 1995	
La-Z Boy Furniture Gallery		5-31-95	161.0	Completed - October 1995	
Meadowlark, Safeway Store		5-14-93	624.0	Completed - November 1993	
OK Economy Store - Stettler AB		12-06-94	369.0	Completed - March 1995	
Petrolite Canada Inc		8-05-94	528.0	Completed - November 1995	
Recycle Plus - Grande Prairie		8-14-95	93.0	Completed - September 1995	
The Grocery People		5-08-96	171.0	Completed - October 1996	
The Real Canadian - Wholesale Club		3-02-94	128.0	Completed - June 1994	
Union College - Lakeview Hall		4-19-95	1,049.0	Completed - September 1995	
United Everchem - Nisku AB		2-02-95	140.0	Completed - August 1995	
Western Grocers - Freezer Addition		2-17-94	816.0	Completed - September 1994	
Westwind Motel - Drayton Valley		3-13-96	384.0	ACTIVE	
<b>SenPar Fire - Total</b>		<b>19</b>	<b>7,354.0</b>		
<b>Vipond Fire</b>	Argyll Centre	8-10-95	388.0	Completed - January 1996	
	Bellanca Building (Yellowknife)	5-08-95	940.0	Completed - March 1996	
	Blue Ridge Lumber - MDF Expansion	11-25-94	948.0	Completed - January 1995	
	Canadian Tire - Ft. McMurray	8-08-96	552.0	ACTIVE	
	CFB Edmonton - Two Buildings	7-07-95	2,340.0	Completed - June 1996	
	CFB Edmonton - Building # 175	3-25-96	1,000.0	ACTIVE	
CFB Wainwright - Food Services Bldg	11-14-96	890.0	ACTIVE		

# Market Enhancement Recovery Fund - Sprinkler Division

Contractor	Project Name	Approval of Bid	Man Hours	Project Status	
<b>Vipond Fire Continued</b>	CFB Wainwright - Tank Shed Camp	7-11-94	264.0	Completed - March 1995	
	CHOICE Day Health Centre	6-04-96	535.0	ACTIVE	
	Cinemark Theatres	8-09-95	620.0	Completed - April 1996	
	Concordia College	10-10-96	360.0	ACTIVE	
	Crofton House (30Unit ) Condo	9-22-93	496.0	Completed - May 1994	
	Dow Elanco - Warehouse	9-14-94	310.0	Completed - January 1995	
	Edmonton Police Station - West End	2-09-93	672.0	Completed - February 1994	
	Fort Good Hope School - Addition	5-12-94	206.0	Completed - August 1994	
	IGA - Bonneyville	9-26-96	370.0	ACTIVE	
	Immaculata Hospital Westlock	8-18-93	1,421.0	Completed - August 1994	
	Kinsmen Field - Twin Arenas Renovation	12-18-96	700.0	ACTIVE	
	K-Mart Store - Sherwood Park	5-20-94	700.0	Completed - September 1994	
	Lacombe Aquatic Centre	5-25-95	500.0	ACTIVE	
	Manning Forest Products	6-03-93	416.0	Completed - October 1993	
	Millar Western	6-23-93	674.0	Completed - September 1993	
	Millar Western - (Shops & Stores)	11-26-96	288.0	ACTIVE	
	NAIT - South Campus Expansion	5-16-95	900.0	Completed - February 1996	
	Nusco Manufacturing	7-11-96	240.0	ACTIVE	
	O'Chiese First Nation School	5-08-95	600.0	Completed - February 1996	
	Pacific Linen	2-15-94	104.0	Completed - May 1994	
	Pakan Elementary School	7-12-95	540.0	ACTIVE	
	Protective Services Building - Leduc	3-20-96	2,300.0	ACTIVE	
	Rap-Id Paper	7-31-95	896.0	Completed - February 1996	
	Royal Alex - Ophthalmology	8-03-95	352.0	Completed - November 1995	
	Royal Alex - Women's Health	12-14-95	1,100.0	Completed - July 1996	
	Saan Store - High Level	7-06-94	180.0	Completed - October 1994	
	Saan Store - Lac La Biche	7-11-94	129.0	Completed - November 1994	
	Slave Lake Health Complex	3-07-96	2,300.0	ACTIVE	
	Staples Office Supply	7-27-95	135.0	Completed - October 1995	
	Strathcona Long Term - Care Centre	5-12-93	1,150.0	Completed - August 1994	
	St. Theresa Hospital	4-17-95	126.0	Completed - February 1996	
	Sunchild First Nation School	7-09-96	400.0	ACTIVE	
	The Home Depot	2-22-94	880.0	Completed - November 1994	
	Twenty (20) Unit Condo	9-14-93	250.0	Completed - January 1994	
	Viridian Inc - Office Stores	8-29-96	704.0	ACTIVE	
	Zeller's Store - Bonnie Doon Mall	10-17-94	700.0	Completed - January 1995	
	<b>Vipond Fire Total</b>		<b>42</b>	<b>29,576.0</b>	

## SPRINKLER DIVISION - SUMMARY

<b>Total Contractors</b>	<b>3</b>
<b>Total Projects</b>	<b>138</b>
<b>Total Manhours</b>	<b>96,941.00</b>
<b>Total Dollars Generated to our members</b>	<b>\$2,512,710.72</b>
<b>@ 4th Year Apprentice Rate May 1, 1997</b>	



# Market Enhancement Recovery Fund - Market Enhancement Trust Fund

Summary of M.E.R.F. & M.E.T.F. from Inception to February 28, 1997

## Total all M.E.R.F. & M.E.T.F.

Total M.E.R.F./ M.E.T.F. Contractors using the fund 45

Total Projects awarded 796

Total Man Hours resulting 1,350,092.53

Total Dollars Generated to our membership Wages & Benefits \$33,152,968.26

from M.E.R.F./M.E.T.F. approved projects Using 4'th Year Apprentice Rate

## Construction Division

Total Contractors 31

Total Projects 478

Total Man Hours 1,047,220.43

Total Dollars Generated to our members Wages & Benefits @ 4th Year Apprentice Rate (Expired rate) \$25,646,428.36

## Refrigeration Division

Total Contractors 11

Total Projects 180

Total Man Hours 205,931.10

Total Dollars Generated to our members Wages & Benefits @ 4th Year Apprentice Rate (April 1, 1997) \$4,993,829.18

## Sprinkler Division

Total Contractors 3

Total Projects 138

Total Man Hours 96,941.00

Total Dollars Generated to our members Wages & Benefits @ 4th Year Apprentice Rate (May 1, 1997) \$2,512,710.72

## Appendix K - Calculating the Size of JTPs in Canada

The response to our survey was insufficient to draw any meaningful conclusions about the extent of JTPs. In order to obtain a sense of the magnitude and significance of JTPs in the construction industry, we conducted a series of calculations with assumptions based on anecdotal evidence acquired through our research, using publicly accessible data as a reference point. These calculations are not intended as measurements, but rather simply to provide a frame of reference in understanding the magnitude and impact of JTPs.

In the course of our fieldwork, we observed that the most prominent users of JTPs were the IBEW and UA. We reviewed or were referred to local JTPs established by locals affiliated with five different unions besides IBEW and UA, but the usage in the other sectors appears more sporadic. Anecdotally, based on interviews and a review of JTP documents in three separate provinces relating to both of these unions, it seems reasonable to estimate that IBEW members contribute to JTPs at an average of \$1 per hour while UA members contribute at an average of \$0.20 per hour. (Only approximately half of the UA locals have JTPs, and they almost all have contribution rates of \$0.40 per hour.)

Using these assumptions, we estimated the size of JTPs for just these two trades.

### K.1 Estimate using Statistics Canada Labour Force Data

Statistics Canada publishes monthly *Employment, Earnings and Hours*<sup>1</sup> summary for various trades and occupations. This data is based on a survey of sample households conducted the previous month through telephone interviews.

These trades are commonly thought to represent about 20 per cent of the building trades membership. (We made various calculations to affirm this assumption. Using 1991 union membership statistics incorporated in the 1997 Ontario Construction Secretariat Database, the IBEW and UA memberships combine for 24.2 per cent of the overall membership; using a special tabulation of Statistics Canada 1996 employment data by trade reported in the same database, hourly paid electricians, plumbers and pipefitters combine for 21.7 per cent of the trades workforce.)

<b>Total Construction Workforce Reported by Stats Can for June 1997:</b>	<b>359,200</b>
<b>50% Unionization Rate</b>	<b>179,600</b>
<b>20% Estimated to be working in Electrical, Plumbing &amp; Pipefitting:</b>	<b>35,920</b>
<b>60% Probable UA Members</b>	<b>21,522</b>
<b>40% Probable IBEW Members</b>	<b>14,386</b>

While these numbers reflect those actually working, they appear extremely conservative when reflected against the 1997 reported membership for the IBEW of 67,300 and the UA for 35,800.

Using the average trades contracting hours per week reported by Stats Canada of 37.9, we can make the following estimates:

**21,522 U.A. members x 37.9 hrs/wk x \$0.20/hr = \$163,136.76**

**14,386 IBEW members x 37.9 hrs/wk x \$1/hr = \$545,229.40**

**Annualized Contributions to JTPs: \$36,835,040.32**

## **K.2 Estimates Using Reported Union Membership Data**

These estimates are obviously extremely conservative when compared to overall union membership numbers. The difficulty in using those numbers is that JTPs are, by definition, a program to combat the lack of work and market share for union members. Since contributions are only made on the hours worked, it is difficult to make accurate estimates of the size of these funds without accurate numbers.

According to the Ontario Construction Secretariat 1997 Database, the overall construction unemployment rate in Ontario was 15.8 per cent for 1996, with the electrical trade at 10.9 per cent and the Plumbers and Related at 6.7 per cent. If we were to make calculations on the national membership, using these unemployment numbers and the contribution assumptions listed previously, the impact of the funds would obviously be considerably higher.

**35,800 U.A. members x 93.3% employment x 37.9hrs/wk x \$0.20/hr = \$253,182.61**

**67,300 IBEW members x 89.1% employment x 37.9 hrs/wk x \$1/hr = \$2,272,646.97**

**Annualized Contributions to JTPs: \$131,343,138.16**

## **K.3 Summary of Estimates**

Keeping in mind that these estimates are based on just two trades, and that locals in at least a half-dozen others are known to operate JTPs, it is not unreasonable to conclude that the annual volume of JTP dollars exceeds \$100 million. The evidence documented earlier regarding payouts (Appendix H and I) are consistent with such a conclusion.

NICHOLS & MULLALY

BARRISTERS & SOLICITORS

KIMBALL R. NICHOLS

GREGORY J. MULLALY

Our File: 12461

Your File:

Reply To: Gregory J. Mullaly

April 30, 1992

International Brotherhood of  
Electrical Workers, Local 213  
4220 Norland Avenue  
Burnaby, B.C.  
V5G 3X2

Attention: Mr. Cliff Rundgren

Dear Sir:

Re: Electrical Industry Advancement Fund

---

Introduction

We have in hand a copy of a letter dated April 15, 1992 from a Mr. Paul Seguin of Revenue Canada to the Independent Contractors and Businesses Association. In the letter Mr. Seguin states that:

“ The JTP fund levy would constitute a special assessment and cannot be considered as “ordinary operating expenses of the...trade union.”

You have asked for an opinion about the force and reliability of Mr. Seguin's conclusion.

We understand that an Electrical Industry Advancement Fund is to be established to fund a Market Recovery Program. The Program will operate in the same manner as the Market Recovery Program of Local 48 in Oregon. Members



I.B.E.W., Local 213  
Attention: Mr. Cliff Rundgren  
Date: April 30, 1992  
Page: 2

of Local 213 are considering raising their dues by an amount equivalent to 5% of their wages. These monies would be put into the Electrical Industry Advancement Fund.

### The Force of Mr. Seguin's Conclusion

Mr. Seguin's conclusion does not form part of a ruling or decision. It is simply one man's opinion based on unspecified "information" that was not received from the Union or the Unionized Electrical Contractors. Mr. Seguin's conclusion is not binding on the Union or even Revenue Canada. If and when Revenue Canada bothers to contact the Union to get a complete understanding of the proposed program it will be free to reach a different conclusion. Even if Revenue Canada declines to reach a different conclusion, a court will have the final say as to whether or not it is correct. The courts regularly refuse to agree with Revenue Canada's interpretation of the *Income Tax Act*. For the reasons set out below, if Revenue Canada does not change its opinion, it is likely that a court will again refuse to agree with it.

### The Income Tax Act's Provisions

Section 8(1)(l)(iv) of the Income Tax Act allows a taxpayer to deduct, when computing his income from office and employment:

"...amounts paid...in the year as **annual dues to maintain membership in a trade union**...or to maintain membership in an association of public servants the primary object of which is the improvement of the members' conditions of employment or work...to the extent that he has not been reimbursed, and is not entitled to be reimbursed in respect thereof." (emphasis added)

Section 8(5) of the Income Tax Act provides however that notwithstanding Section 8(1)(l)(iv) a taxpayer *cannot* deduct dues:

"...to the extent that they are levied

- (a) for or under a superannuation fund or plan.
- (b) for or under a fund or plan for annuities, insurance...or similar benefits.
- (c) for any other purpose **not directly related to the ordinary**

I.B.E.W., Local 213  
Attention: Mr. Cliff Rundgren  
Date: April 30, 1992  
Page: 3

**operating expenses of the...trade union** to which they were paid." (emphasis added)

It follows that dues deducted to fund the proposed Electrical Industry Advancement Fund have to meet three conditions for your members to be able to claim a deduction under Section 8(1)(i)(iv). The dues have to be:

- "annual dues"
- required to maintain membership in the Union; and
- used for a purpose which is "directly related to the ordinary operating expenses" of the Union.

In our opinion, for the reasons set out below, your members will be able to deduct that portion of their union dues that are used to fund the proposed Electrical Industry Advancement Fund.

#### **Annual Dues**

In Lucas v. The Queen, 87 DTC 5277, the Federal Court held that dues need only be capable of recurring to be considered "annual" for the purposes of Section 8(1)(i)(iv) of the Income Tax Act. That case arose from the following facts. While members of the Alberta Teachers' Association in Calgary were on strike, the dues of the Associations' members in Edmonton were increased to provide financial support for the striking Calgary teachers. Revenue Canada did not allow the Edmonton teachers to deduct the amount their dues had been increased to provide financial support for the striking Calgary teachers. Revenue Canada's ruling was successfully challenged in court. The increased dues were held to be "annual dues" within the meaning of Section 8(1)(i)(iv).

We do not know how long the Market Recovery Program is intended to run. However, the increased levy on Union members is at least capable of recurring and so should be held to be "annual dues." Accordingly the first condition for Section 8(1)(i)(iv) deductibility will be met.

#### **Required To Maintain Membership In A Trade Union**

It is our understanding that by virtue of the provisions of Article XXIII of the Union's Constitution, members will have to pay the proposed increase in working

I.B.E.W., Local 213  
Attention: Mr. Cliff Rundgren  
Date: April 30, 1992  
Page: 4

dues if they wish to maintain membership in the Union. As such the condition for Section 8(1)(i)(iv) deductibility will be met.

### **"The Ordinary Operating Expenses" Of A Trade Union**

No court has considered the meaning of the expression "the ordinary operating expenses" of a trade union. The interpretation that a court is likely to place on that expression can however be gleaned from a number of sources.

#### **The Primary Object of a Trade Union**

It is clear from Section 8(1)(i)(iv) of the Income Tax Act that Parliament regards the primary object of a trade union as:

" ...the improvement of [its] members' conditions of employment or work."

If anything is going to count as the "ordinary operating expenses" of a trade union it should be the expenses incurred for the purpose of pursuing the primary object of trade unions, ie. the improvement of the conditions of employment or work of their members.

The Market Recovery Program is aimed at improving the conditions of employment or work of the Union's members. Accordingly, expenses incurred pursuing that purpose should count as an "ordinary operating expense" of a trade union.

#### **Canons of Statutory Construction**

Two principles of statutory interpretation support a broad interpretation of the expression "the ordinary operating expenses" of a trade union.

The first principle is expressed in the following passage from decision of the Supreme Court of Canada:

" ...if the interpretation of a taxation statute is unclear, and one reasonable interpretation leads to deduction to the credit of the taxpayer and the other leaves the taxpayer with no relief from clearly bona fide expenditures in the course of his business

activities, the general rules of interpretation of taxing statutes would direct the tribunal to the former interpretation." (at p. 67)

" ...another basic concept in tax law [is] that where the taxing statute is not explicit, reasonable uncertainty or factual ambiguity resulting from lack of explicitness in the statute should be resolved in favour of the taxpayer. This residual principle must be more readily applicable in this appeal where otherwise annually recurring expenditures, completely connected to the daily business operation of the taxpayer, afford the taxpayer no credit against tax..." (at p. 72)

Johns-Manville Canada Inc. v. H.M. The Queen, [1985] S.C.R. 46

The Income Tax Act does not explicitly define what is meant by the expression "the ordinary operating expenses" of a trade union. In our opinion it is, at a minimum, *reasonable* to count as such an expense, any expense completely connected to pursuing the primary object of a trade union.

The second principle of statutory construction that supports a broad interpretation of the expression "the ordinary operating expenses" of a trade union is this. If general words (such as "other purpose not directly related to the ordinary operating expenses of the...trade union") are preceded by specified things that can be placed under some common category, the meaning of the general words should be restricted to the same category as the specific words that precede them.

Sections 8(5)(a) and (b) specifies several purposes for which dues are *not* deductible:

- the funding of a superannuation fund or plan; or
- the funding of a plan for annuities, insurance or similar benefits.

These purposes can arguably be placed under a common category—to fund plans that provide benefits to union members directly and as individuals. This is not what we understand the purpose of the Market Recovery Program to be. It is intended to recapture work for the unionized electrical contractors. Your members will benefit if the plan works (because more work will be available for them to do) but that is an indirect benefit. The plan does not give any of your



I.B.E.W., Local 213  
Attention: Mr. Cliff Rundgren  
Date: April 30, 1992  
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members, as individuals, a claim on the monies in the Electrical Industry Advancement Fund or any extra work produced if the Market Recovery Program succeeds.

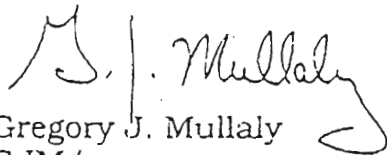
Applying this second principle of statutory interpretation, the "other purpose" mentioned in Section 8(5)(c) should be interpreted to be a purpose of the sort specified in Sections 8(5)(a) and (b) rather than a purpose that will at most provide an indirect benefit to your members.

Summary

Mr. Paul Seguin's April 15, 1992 letter takes no account of the above mentioned authorities and reasoning. It contains no recital of any other reasoning or authorities to support the opinion offered. It is our opinion that if Revenue Canada ever translates such an opinion into a ruling, a court will reject Revenue Canada's interpretation and allow your members to deduct from their incomes the portion of their dues that will be used to fund the Work Recovery Fund.

Yours truly,

NICHOLS & MULLALY



Gregory J. Mullaly  
GJM/cms  
g/12461 lt

Revenue Canada  
TaxationRevenu Canada  
Impôt

Philip Hochstein  
Executive Vice-President  
I.C.B.A.  
5365 Kingsway  
Burnaby, B.C.  
V5H 2G1

August 27, 1992

Your file    Votre référence

Our file    Notre référence

Dear Mr. Hochstein:

I am writing with reference to your letter of July 9, 1992, wherein you request a binding ruling on the operation of the market recovery program by the International Brotherhood of Electrical Workers (I.B.E.W. Local 213).


In our previous correspondence I expressed the Department's opinion that the J.T.P. fund levy would constitute a special assessment and would therefore not be deductible as union dues by the members. We are unable to issue an advanced ruling at this time as the transactions have already taken place. I have attached a copy of Information Circular 70-6R2 which lays out the guidelines for obtaining an Advanced Income Tax Ruling.

The Department has not changed its opinion that the J.T.P. levy is not deductible and should union members claim these amounts as a deduction on their individual income tax return they can expect to have their claim disallowed.

You have indicated that other unions have considered setting up similar programs, should one of them wish to apply for an Advanced Income Tax Ruling before their plan is implemented, we would consider giving a binding ruling at that time.

I hope that this resolves your questions to your satisfaction. Should you have any further enquiries with respect to this matter, I have designated one of my staff, Mr. Graham Shand, as a contact person. He may be reached at 691-4516.

Yours truly,



Paul E. Seguin  
Director-Taxation

PS:djr  
Attachment

Tel. (604) 666-  
1166 West Pender St.  
Vancouver, B.C.  
V6E 3H8

Tel. (604) 666-  
1166, rue West Pender  
Vancouver (C.-B.)  
V6E 3H8

BLANEY  
McMURTRY  
STAPELLS  
FRIEDMAN

BARRISTERS AND SOLICITORS

February 10, 1998

Work Research Foundation  
5920 Atlantic Drive  
Mississauga, Ontario  
L4W 1N6

Attention: Mr. Ray Pennings  
Project Director

Dear Sirs:

**Re: Job Targeting Programs**

You have asked us to advise you with regard to the income tax treatment under the *Income Tax Act* (Canada) (the "Act") of certain payments related to income stabilization or job targeting programs ("JTPs"). In particular, you have asked us to consider the following:

1. whether a contribution to a JTP by a worker in the form of a special levy or assessment should be deductible under the Act as union dues;
2. whether a contribution to a JTP by an employer should be deductible in computing income for purposes of the Act;
3. the appropriate income tax treatment of a JTP payment received by an employer; and
4. the appropriate income tax treatment of payments made to a worker where an employer has received a subsidy from a JTP.

In this regard, we have considered the provisions of the Act, including the Regulations thereto, published statements and interpretations of Revenue Canada, Taxation ("Revenue Canada") and relevant jurisprudence. We have also reviewed certain descriptive background information provided to us by you. We express no opinion with regard to any particular JTP.

We are solicitors qualified to practise only in the Province of Ontario and our opinion is accordingly limited to the laws of the Province of Ontario and the laws of Canada applicable therein.

20 QUEEN STREET WEST

SUITE 1400

TORONTO, CANADA M5H 2V3

TEL: (416) 593-1221

FAX: (416) 593-5437

## A. FACTS

The relevant facts, and necessary assumptions, as we understand them are as follows:

1. A JTP is established by a particular union local;
2. The JTP (a "Member JTP") may be funded by a special levy or assessment on working members of the particular union local;
3. The Member JTP special levy or assessment may be calculated as a percentage of wages or may be set at a specific amount per hour;
4. The JTP (an "Employer JTP") may be funded by contributions required to be made by particular affected employers in accordance with agreements between the union and the employer's bargaining agent;
5. Both the Member JTP and the Employer JTP are administered by the union local; and
6. JTP payments will indirectly benefit some but not all members of a local. Payments are made by the union local out of the JTP, in response to employer applications, to a particular employer in order to subsidize the wages to be paid by that employer to workers in respect of a specific contract or job.

## B. CONCLUSION

As will be more fully discussed below, we are of the following view:

1. A contribution by a worker to a Member JTP in the form of a special levy or assessment should not be deductible as union dues in computing income from employment;
2. A contribution by an employer to an Employer JTP should be deductible in computing the employer's income as an expense incurred for the purpose of earning income from a business or property;
3. A JTP payment received by an employer from a union should be included in computing the income of the employer as an inducement (or, by election, reduce the amount of an outlay or expense); and
4. The payment received by a worker from an employer, which includes the JTP payment received by that employer, should be included in computing the worker's income from employment.



## C. DISCUSSION

### 1. Deductibility of Special Levy as Union Dues

Although the matter is not free from doubt, in our view, a contribution made by a worker to a Member JTP in the form of a special levy or assessment should not be deductible by the worker as union dues in computing income for purposes of the Act on the basis that such special levy is not applied to the "ordinary operating expenses" of the union.

#### (a) Legislation

Subparagraph 8(1)(i)(iv) of the Act allows as a deduction in computing income from employment, *inter alia*, amounts paid by a taxpayer in a year as annual dues to maintain membership in a trade union. The two critical elements for deductibility under this provision are that the amounts be annual and that they be necessary in order to maintain membership. The courts have held that, for this purpose, an amount will be considered annual if it is capable of recurring annually. Where a union requires its members to pay certain amounts in order to maintain membership in the union, the second element of this provision should be satisfied.

Subsection 8(5) of the Act, however, limits the deductibility of union and other dues by providing that such dues will not be deductible to the extent that they are, in effect, levied for certain listed purposes:

"Notwithstanding subparagraphs (1)(i)(i), (iv) and (vi), dues are not deductible under those subparagraphs in computing a taxpayer's income from an office or employment to the extent that they are, in effect, levied

- (a) for or under a superannuation fund or plan;
- (b) for or under a fund or plan for annuities, insurance (other than professional or malpractice liability insurance that is necessary to maintain a professional status recognized by statute) or similar benefits; or
- (c) for any other purpose not directly related to the ordinary operating expenses of the committee or similar body, association or trade union to which they were paid."

In particular, subsection 8(5) denies deductibility where amounts, which are otherwise considered union dues, are levied for a purpose that is not directly related to the "ordinary operating expenses" of the trade union. The Act does not provide any definition of this expression.

## **(b) Statutory Interpretation**

It does not appear that the expression "ordinary operating expenses" has been judicially considered in the context of paragraph 8(5)(c) of the Act. In the absence of judicial consideration, it may be useful to examine dictionary meanings applied to such expressions as "operating costs" and "operating expenses" and to consider the interpretation of paragraph 8(5)(c) on the basis of the principles of statutory interpretation which may be applied by a court.

### **(i) Dictionary Meanings**

The dictionary meanings applied to "operating costs" included costs of furnishings, equipment, supplies and salaries. "Operating expenses" have been considered to be those expenses required to keep a business running (such as rent, electricity and heat) and expenses incurred in the course of the ordinary activities of the entity.

The dictionary definitions will be meaningful only where there is an understanding of the scope of the operations or activities of a particular entity. In the case of a trade union, the labour statutes, both provincially and federally, generally provide an expansive definition of a trade union, setting out purposes which include, but are not limited to, the regulation of relations between employers and employees. Based on the various labour statutes, the purposes of a trade union will include: encouraging collective bargaining between employers and trade unions; encouraging co-operation in resolving workplace issues; developing workforce skills and promoting workplace productivity; promoting conditions favourable to the constructive and expeditious settlement of disputes; and encouraging the use of mediation as a dispute resolution mechanism. Revenue Canada has indicated in published statements that it views a labour union as an association of workers organized for the purpose of, but not limited to, securing favourable wages, improved labour conditions, better hours of work and righting grievances against employers.

In the context of the apparently broad purposes of a trade union, "operating expenses" may be viewed narrowly as those expenses which allow a trade union to operate to carry out the functions of collective bargaining, dispute resolution, skills training and promotion of health and safety. Accordingly, on this basis, expenses such as rent, electricity, salaries and expenses for meetings undertaken for the purpose of collective bargaining and dispute resolution may be viewed as "operating expenses". Alternatively, one may take a broader view and include as "operating expenses" those expenses which are incurred to achieve the broader purposes for which a trade union is operated and, on this basis, include all expenditures made, for example, to achieve better working conditions or secure jobs for members.

Even if a broader view is taken of "operating expenses" to include a purposive and not merely an operational approach, the expense must still qualify as "ordinary". It is submitted that special purpose funds and special levies or assessments, by their nature, cannot reasonably be viewed as "ordinary". One would expect that an expenditure which arises

routinely or ordinarily would be considered in the determination of the level of ordinary union dues and would not require a special levy or assessment.

*(ii) Principles of Statutory Interpretation*

Over the past several years, there has been considerable evolution in the selection by the courts of appropriate principles to apply in interpreting fiscal legislation. A review of the case law, however, reveals some inconsistency among the higher courts as to the appropriate principles to apply in interpreting such statutes. It is still appropriate, therefore, to consider both the "plain meaning" approach as well as the "words-in-total-context" or purposive approach.

*"Plain Meaning" Approach*

According to the "plain meaning" approach, where the language of a statute is clear and unequivocal, the words of the statute should be considered in light of their plain or ordinary meaning. When considering the plain meaning of paragraph 8(5)(c) of the Act, "ordinary operating expenses" may be viewed as expenses necessary to operate a union on a day-to-day basis and could include such expenses as rent, salaries, costs of collective bargaining, grievance administration and contract administration. Essentially, the plain meaning of this expression would suggest expenses without which the union would fail to operate. A broader view of "operating" may suggest an examination of the union's purposes and might include expenditures to achieve those purposes (i.e., to improve working conditions). On this basis, a stabilization or JTP payment, which indirectly benefits only some of the members, may be viewed as an expense in aid of the union's purposes for which the union is operated. It is necessary, however, for the operating expenses to be "ordinary" and a plain meaning view of this term is clearly inconsistent with a special situation requiring a special levy or assessment.

*"Words-In-Total-Context" Approach*

Assuming that the language in paragraph 8(5)(c) is not clear, it would be appropriate to apply the "words-in-total-context" approach and examine the language of that provision in the context of the purpose of the legislation. Both paragraphs 8(1)(i) and 8(5)(c) allow membership dues paid in the context of various types of organizations to be deductible in computing income from an office or employment on the apparent basis that such dues may be required in order to maintain membership in a particular organization or in order to maintain a professional status. The limitation on the deductibility of such dues provided in subsection 8(5) of the Act appears to isolate the portion of dues levied for special funds or purposes. In this context, it may be reasonable to interpret the exclusion in paragraph 8(5)(c) of the Act to apply to a special purpose outside of the ordinary operating expenses of the union which require a special assessment.

### *Limited Class Rule*

In interpreting paragraph 8(5)(c) of the Act, it may also be useful to apply the limited class rule, also known as the *ejusdem generis* rule. This principle applies in interpreting a clause which sets out a list of specific words followed by a general term, and permits the general term to be interpreted in the context of the common category applicable to the specific words preceding it. The preceding specific items, however, must belong to an identifiable class in order to determine a class or category to which the general expression may be limited. In reviewing paragraphs 8(5)(a) and 8(5)(b), the identifiable class appears to be special purpose funds or plans designed to provide benefits to the members of a union or similar organization. Accordingly, the expression "any other purposes" in paragraph 8(5)(c) may be limited to special funds designed to provide benefits to the members, such as a scholarship fund or a fund to finance funeral expenses. Similarly, a JTP fund, which is established by way of a special levy or assessment, may also be viewed as a special fund designed to provide a benefit to members by maintaining wage levels, and, ultimately providing work opportunities.

### **(c) Revenue Canada's Interpretation**

#### ***(i) Interpretation Bulletin IT-103R***

Revenue Canada has publicly set out its views on the deductibility of union dues in Interpretation Bulletin IT-103R entitled "Dues Paid to a Union or to a Parity or Advisory Committee". In that Bulletin, Revenue Canada repeats the requirement set out in paragraph 8(5)(c) but does not provide any explanation of the expression "ordinary operating expenses". By way of illustration, however, the Bulletin describes levies which may or may not qualify as "ordinary operating expenses". The Bulletin, without explanation, provides that dues levied to create and maintain a building fund or for a fund for the payment of funeral expenses will not be considered directly related to the ordinary operating expenses of the trade union to which they were paid. The rationale may be that these funds relate to extraordinary needs (i.e. a building fund) or to a purpose which is outside of the normal business of a trade union (i.e. a funeral expense). On the other hand, reasonable costs incurred in prosecuting a legal strike (including rental of headquarters, telephone, advertising and travel) and relief payments to members in need, will be considered to be related to the ordinary operating expenses of the trade union. Consequently, the reasonable portion of the annual dues levied to provide for such anticipated costs will be considered deductible. Revenue Canada also states, however, that levies made during the year to provide funds for the prosecution of a legal strike will be considered annual dues provided that they are capable of recurring and have not been designated by the union as special assessments. Any such levies designated as special assessments are viewed as not being annual dues and will not be considered deductible.

It may be concluded from this Bulletin that a special purpose fund that relates to an extraordinary expenditure will not be considered to relate to the ordinary operating expenses of a union and that an amount paid by a member, even if it relates to an ordinary



operating expense, will not be considered annual, and therefore will not be deductible, if it is paid by the member in the form of a special levy.

***(ii) Other Revenue Canada Statements***

Revenue Canada has stated, in various published statements and letters, that it considers member contributions to stabilization funds (such as a Member JTP) not to be deductible as union dues on the basis that the funds are not used for a purpose directly related to the union's ordinary operating expenses. In Revenue Canada's view, "ordinary operating expenses" can be defined as an expenditure which is part of the "undistinguished common flow of the trade union's activity", forming part of the normal business of the union and arising out of no special or particular situation. Apart from this statement, Revenue Canada has not offered any further explanation of "ordinary operating expenses".

Revenue Canada has reviewed a number of special purpose funds or situations and has concluded that the levies in each case did not constitute ordinary operating expenses. In a particular case reviewed by Revenue Canada, a levy to fund the costs of a legal action arising out of a special situation was not considered deductible as it was outside of what would ordinarily be encountered in negotiations to promote working conditions and matters ordinarily settled through arbitration. In another case, contributions to a scholarship fund did not qualify for deduction as union dues. Revenue Canada has stated that, in general, special purpose levies will not be considered within the limits of "ordinary operating expenses".

Although the views of Revenue Canada in these published letters and statements are not binding and any definitive conclusion will be based on an examination of all the relevant facts in any particular case, it is reasonable to expect that a detailed review of a particular set of facts involving a special levy contribution to a stabilization fund will likely result in a conclusion consistent with the previously published views.

**2. Deductibility of Employer Contributions**

In order for an outlay or expense to be deductible in computing income from a business or property, it must be reasonable and it must have been made or incurred for the purpose of gaining or producing income from the business or property. There is no doubt that reasonable salaries paid to workers who are employed by or provide services to a business will be deductible in computing the income or profits from that business. It may be argued that the purpose for which an employer makes a contribution to an Employer JTP is to potentially benefit from a subsidy, in the form of a stabilization payment, which will enhance the employer's ability to bid competitively and succeed in securing contracts which will result in profits for the business. Accordingly, JTP payments made by an employer should be viewed as outlays or expenses incurred for the purpose of gaining or producing income from the business and, on this basis, should be deductible in computing income from the business for purposes of the Act.

### **3. Tax Treatment of JTP Payments Received by an Employer**

Payments received by an employer from a JTP controlled and maintained by a trade union should be included in computing the income of the employer as an inducement under paragraph 12(1)(x) of the Act. That provision requires a recipient to include in income an amount received in the course of earning income from a business or a property, *inter alia*, from a person who pays the amount in order to achieve a benefit or advantage for the payor. In addition, the amount must reasonably be considered to have been received as a refund, reimbursement, contribution or allowance or as assistance, whether as a grant, subsidy, forgivable loan, deduction from tax, allowance or any other form of assistance, in respect of an outlay or expense to the extent that such amount is not otherwise included in computing income of the recipient.

A JTP payment can be viewed as having been paid by a trade union in order to achieve a benefit for the union (i.e., for the members of the union), the benefit being to facilitate the securing of contracts which will provide work for its members. The JTP amount can be viewed as either a reimbursement of wages otherwise payable by an employer or certainly as a contribution to the payment of such wages and, consequently, included in income on the basis of paragraph 12(1)(x) of the Act. Subsection 12(2.2) of the Act provides an election to reduce the amount of an outlay or expense (other than for the cost of property) where the amount received would otherwise be included in income under paragraph 12(1)(x). The elected amount reduces the amount that would otherwise be required to be included in income under paragraph 12(1)(x). Accordingly, an employer receiving a JTP amount may either include it in income or, by election, reduce the amount of the outlay or expense associated with the wages payable.

### **4. Tax Treatment of Payments Received by Workers**

An employer who receives a JTP payment from a trade union effectively receives a subsidy of the wages otherwise required to be paid under the contract. Accordingly, one may view the JTP payment as effectively applying to the payment of wages to workers. Such wages, among other amounts and benefits, will be reflected on the T4 issued to the worker and will be included in computing the worker's income from employment.

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The foregoing is provided to you only in connection with our retainer to respond to the specific questions noted above and may not be relied upon by anyone other than you for any purpose or by you for any purpose other than as noted above without our prior written consent.

Yours very truly,

*Blaney McMurry Stapells Friedman*



