

## News from the Society of Energy Professionals

OEB now  
unionized  
with  
Society



The uptown Toronto home of the Society's newest local

**T**he vote is in. Employees at the Ontario Energy Board have successfully organized themselves into a Society local.

"We're all quite relieved," said **Janet Sakauye**, a member of the OEB organizing committee. "It's been a very long process, and at times a little stressful, but everybody on the organizing committee was very focussed, we knew what we wanted, and we worked very hard towards our goal."

On Wednesday, May 16<sup>th</sup> the votes were counted, and a majority of the 117 eligible voters had voted in favour.

The count of the April 18<sup>th</sup> vote (see *Newscast* 2007:01) was made possible when OEB management withdrew most of their challenges to the make-up of the bargaining unit. When a "challenge" is successful, it results in a position or positions being ruled to be inappropriate for inclusion in a union. The Society and the OEB were then able to negotiate a bargaining unit acceptable to both parties, and the ballots were counted.

The OEB vote was the first Society unionization vote to be conducted since the Society and the IFPTE affiliated, and IFPTE President **Gregory Junemann** was elated to hear the result. "It's a win-win situation for everyone," he said. "Strong union density in the energy sector means we're in a better position to keep up the high standards Society members helped build."

The bargaining unit includes all employees of the OEB in the City of Toronto, excluding managers and above, persons employed in a confidential labour-relations capacity, and lawyers employed in their professional capacity. The bargaining unit includes supervisors, an unusual inclusion which benefits the members of the OEB Local and strengthens the Society's bargaining power there.

More than two years of work went into the creation of the OEB Local. Having set up a Communications Action Network, a method of involving as many members as possible in the work involved, the Organizing Committee began collecting signed union cards earlier this year.

"We wanted to be part of a union that knows the energy sector, and is very professional in everything they do," Sakauye

said. “We felt the Society was the right place to be to help us achieve our goal.”

Sakauye said the organizing committee is “absolutely” looking forward to bargaining with the OEB. “We want a work environment that’s transparent, a fair playing field for us all.”

The OEB Local will also be working with the Society team participating in giving input to the recently announced

agency review panel. That panel, headed by former Molson CEO James Arnett, will examine the costs associated with operating the four major agencies that succeeded Ontario Hydro, and make recommendations to the Province.

## Society’s electricity plan “getting it right”

The Society’s new electricity plan will prevent the electricity crises of the future, says President **Andrew Müller**.

“Without a doubt, energy will be a major issue in the upcoming provincial election,” he told an Canadian Institute luncheon on May 8<sup>th</sup>. “The Society’s ‘Getting it Right’ plan will help Ontarians make crucial decisions which will affect our economy and standard of living. These tough decisions need to be made now in order for us to enjoy a sustainable, reliable, and affordable energy system in the future.”

In announcing the Society’s plan—Getting it Right: A Real World Vision of Ontario’s Electricity System in 2025—Müller informed his audience it is “the culmination of a year of work by our dedicated members ... the same people who operate our nuclear facilities, manage our transmission lines, design our generating stations, forecast our needs, and handle the operations and the details in one of the most complex electricity systems in the world.”

“Getting it Right” is based on the Society’s current policies and backgrounders, he added. It was circulated to the Executive Board for their comments, and was vetted by the Society’s Political Action Committee. Many members of the Society’s Political Action Committee participated in the launch of the plan and the subsequent reception at Queen’s Park.

The plan, he said, is the Society’s contribution to October’s provincial election. “We want to help [the next government] make the right choices,” he said, “and avoid



photo: Gregory Varano, courtesy Economic Club of Toronto

**Society President Andrew Müller addressed over 100 industry stakeholders at a Canadian Institute luncheon**

making wrong or hasty decisions in meeting our future needs. Now is the time for Ontarians to start discussing, debating, and understanding the options before them.”

The “Getting it Right” plan includes the following five key recommendations:

- ◆ Formally commit not only to a conservation culture, but also an industrial structure and regulatory measures to ensure that Ontarians benefit from demand-side initiatives
- ◆ Meet Ontario’s baseload electricity requirement through a combination of nuclear generation and renewables; and meet Ontario’s peak demand through the continued, judicious use of existing coal burning facilities utilizing currently available emission control technologies along with retrofitting existing coal burning facilities to use an ever increasing amount of renewable biomass
- ◆ Aim to generate 50 per cent of Ontario’s total electricity through renewables by 2025
- ◆ Protect our air and our power supply by proceeding now with the decision to refurbish and build new nuclear power capacity
- ◆ Act now on dramatically improved and expanded transmission to meet Ontario’s growing electricity demand

According to “Getting it Right,” nuclear generation should be favoured for baseload power over fossil fuels, including natural gas. This is because:

- ◆ Nuclear generation is absolutely necessary for meeting Canada’s Kyoto commitments
- ◆ The increasing price and price volatility of natural gas are making nuclear generation more economical
- ◆ There is too little natural gas to depend on in North America, and those locations with a lot of it are too politically unstable to be dependable

The plan also recommends that AECL technology is the right choice for the Canadian nuclear power industry. “CANDU reactors are among the best performing reactors in the world.” In addition, he pointed out, importing



**SPEA’s Dr. Michael Ivanco conducts a Getting it Right “lunch and learn” at Queen’s Park on the subject of nuclear power.**

foreign reactor technology would lead to staffing from outside Canada, billions of dollars in capital leaving the country, and the expatriation of many high-tech, highly paid jobs and the taxes that go with them.

Most of us know, said Müller, “that a viable energy future must be based on renewable generation: water, wind power, biomass, and, eventually, solar power.” Unfortunately, he said, publicly-owned Ontario Power Generation is prevented under its current mandate from the government from participating in programs to develop and operate such renewables. “Since we, the people of Ontario, own OPG, why don’t we put it to work as a leader in renewable energy programs?”

“Getting it Right,” he said, “is a ‘real-world’ plan ... about making strategic choices... “[O]n October 10<sup>th</sup>, the decisions we make that day will affect whether or not our children and grandchildren have enough safe and reliable electricity in 2025.”

The public launch attracted over 100 industry stakeholders, including Society members and staff, and senior executives from Society employers Ontario Power Generation,

Atomic Energy of Canada Limited, Bruce Power, Inergi, Hydro One, and Team CANDU. Also in attendance were representatives from the Pembina Institute, the Ontario Federation of Labour, the Ontario Society of Professional Engineers, the Association of Power Producers of Ontario, the United Association of Plumbers, the International Brotherhood of Electrical Workers, the British Consulate, the Ministry of Finance, Aird & Berlis LLP, Deloitte & Touche LLP, Desjardins, and Siemens Canada.

Later that day, the International Federation of Professional and Technical Engineers hosted a reception at Queen's Park for MPPs and their staffs. Society Representatives and staff discussed the plan with the guests, learned more about the issues in their ridings, and raised the profile and demonstrated the expertise of Society members. At least 30 MPPs attended the reception, including three Ministers, eight parliamentary assistants, the Leader of the NDP, and several executive assistants and staff.

The Society is conducting three "lunch and learn" seminars in May for MPPs, their staff, and the media: Electricity 101, Nuclear Power, and Conservation. The talks will be given by Society experts.

Copies of "Getting it Right" can be downloaded from the Getting it Right web-site ([www.gettingitright2025.ca](http://www.gettingitright2025.ca)).

### Board highlights: May 1<sup>st</sup>, 2007

The Society's Executive Board met on May 1<sup>st</sup>, 2007. Sadly, as the meeting commenced, OPG's **Marlene Khalil** announced she would be stepping down as unit director in her Nuclear unit, and would no longer be able to serve on the Board. She has accepted a position in the non-nuclear business of OPG. Pensioners' Chapter representative **John Kroeger** also notified the Board that it was his last meeting—he would not be running for re-election to the Pensioners' Chapter Executive at its May 10<sup>th</sup> Annual General Meeting. With an ovation, the Board expressed its appreciation for Sister Khalil's and Brother Kroeger's service.

**National Day of Mourning:** Board Members named and expressed their appreciation of those Society members who represented the Society at various observances of Workers' National Day of Mourning on and about April 28<sup>th</sup>. Included were:

- ◆ Joel Barton (OPG, Niagara)
- ◆ Vic Chetcuti (OPG, Pickering)
- ◆ Brian Davitch (Hydro One)
- ◆ Joe Fierro (OPG)
- ◆ Bill Jones, EVP Finance (Hydro One, Trinity)
- ◆ Tony Kokus (OPG, Nanticoke)
- ◆ Duncan McKay (OPG, Darlington)
- ◆ Dennis Minello (OPG, Brock Street, Pickering)
- ◆ Hamid Riaz (Hydro One)
- ◆ Peter Tien (OPG)
- ◆ Randy Van Hooren (OPG, Lambton)
- ◆ Bob Wells (Bruce Power)

**Standing Finance Committee:** In its April 21<sup>st</sup> meeting, Society Council approved the creation of a Standing Finance Committee as one of the key recommendations to come out of the Audit Action Plan (AAP). The Committee will be made up of:

*4-5 members named by the Executive Board, representing a diversity of interests, at least two of whom have some formal or experiential knowledge of financial procedures and at least two of whom are Executive Board members*

The Board nominated its own members **John Cameron** (Hydro One), **Joe Fierro** (OPG), and **Rob Stanley** (Bruce Power) to sit on the Committee. Local VPs were asked to submit further nominations, accompanied by short bios.

**Audit Action Plan:** Society President **Andrew Müller** reported that Society Council had approved 87 recommendations for actions arising out of the AAP. The Executive Board directed the Executive Committee to present to the June Board meeting a plan for the implementation of those recommendations, as well as a method of accounting for their implementation.

... the Society has the same obligation to provide a harassment-free workplace as any other employer

**Human Rights and Harassment:** In a follow-up to a presentation made to the Executive Board last October (see *Newscast* 2006:06), Victoria Reaume, of Cavalluzzo Hayes Shilton McIntyre & Cornish, and Society Staff Officers **Lynnda Crichton** and **Matt Kellway** presented to the Board a proposal for a dispute resolution policy and procedure to deal with intra-union allegations of harassment.

Originally, Ms. Reaume's opinions were sought as part of the Society's effort to deal with internal difficulties in some locals. Society representatives and staff needed guidance in how to deal with the representational challenges when members are alleged to be harassing other members. In October, 2006, Ms. Reaume visited the Board to present a legal opinion she'd prepared outlining the Society's obligation

under various laws to formulate a policy and procedure for dealing with any such allegations. She also explained that the Society has the same obligation to provide a harassment-free workplace as any other employer.

The lack of such a policy, she said, only increases the Society's liabilities, and its exposure to claims of damages in such cases.

Crichton, Kellway, and she have formulated a draft procedure to deal with human rights and harassment issues. They have proposed that allegations of harassment of all kinds be dealt with in a process separate from the procedure set out by Article 24 of the Society Constitution, the article under which members of the Society can be charged with offences against the Union.

The proposal will be considered by the Executive Board in its June meeting.

**Canadian Labour Congress's "Better Choice" campaign:** The Executive Board heard a presentation from Canadian Labour Congress staffer Gary Ing on the CLC's "Better Choice" campaign. The Congress has prepared

materials for working people that prompt them to ask questions of candidates in their ridings. Said Ing:

*[F]inding out candidates' positions on, say, pension protection or quality childcare will help voters make judgements about whether candidates for office are really committed to the policies and services working people need.*

The materials involved are suitable for both federal and provincial elections. The Board undertook to distribute them to Society members.

**Accounting Software:** On a recommendation from Senior Financial Officer **Joan Florence**, the Executive Board approved up to \$18,000 for new accounting software. That software, Microsoft Great Plains, will replace the current New Views, a DOS-based system. Moving to Great Plains will also make the Society's accounting system a great deal more secure.

**Bruce Equity distributions:** EVP Finance **Bill Jones** reported that the Society had received \$974,300 in the first quarter of 2007 in distributions from its 1.2 per cent ownership in the Bruce B partnership. The amount received was reduced by the \$50,400 the Society had agreed to invest in Bruce B in a first quarter cash call. Brother Jones also reported that, due to the Society's having declined to meet some of the cash calls for Bruce A refurbishments, the Society's share in that side of the Bruce business had declined to 0.4511 per cent.

## Hamilton nuclear moratorium opposed by Society

Society representatives have spoken out against a moratorium on nuclear plant-building in the City of Hamilton.

"Canadian reactors have a proven record and have been safety operating for 40 years," AECL environmental assessment specialist **Cathy Cottrell** told Hamilton Council on May 14<sup>th</sup>.

*The reactors used for power generation provide clean, safe, reliable, and sustainable energy for communities around the world. Their products assist in medical research and cancer treatment. The nuclear industry provides Canadians with highly skilled and technical jobs.*

Cottrell pointed out that Hamilton's McMaster University has operated a nuclear research reactor for over 50 years, with no harmful impact on the public.

Cottrell is a resident of Ancaster, and a member-at-large in the structure of the Society of Professional Engineers and Associates (SPEA) Local, or the equivalent of a Society delegate.

The moratorium move appears to have been inspired by recent news reports alleging that the Province was considering building a nuclear power plant on the Nanticoke GS site. In response, Hamilton City Councillor Brad Clark introduced a motion that calls for:

- ◆ a ban on the building of any nuclear power plants inside Hamilton's boundaries
- ◆ notifying Haldimand County (Nanticoke's location) and the Province of Ontario that Hamilton objects to new nuclear plant "within Hamilton's airshed" (*sic*)

Strangely, while the Council motion objects to a nuclear power plant in its airshed, it also calls for Nanticoke's coal-fired units to be replaced with natural-gas fired ones. While natural gas-fired units emit fewer pollutants and greenhouse gases than coal-fired ones without emissions controls, nuclear units emit none of either.

IESO Local Unit Director **Scott Travers**, a graduate of McMaster University, made a presentation on behalf of the Society. Having a generating station on the Nanticoke site is absolutely essential to the province's electricity system, he said, and so is nuclear power. Though the Society knows of no plan to place a nuclear-powered generator on the Nanticoke site, to do so would require a full environmental assessment.

*Voting against today's resolution will in no way limit public debate should a proposal be put forward. To*

*arbitrarily place a moratorium on the consideration of nuclear power would deny the public their right to be informed about the details and deny them an opportunity to present their views.*

Councillor Clark introduced the moratorium motion on February 14<sup>th</sup>; however, protests by members of the Society of Professional Engineers and Associates (SPEA) Local and others resulted in its being held over for public delegations (presentations) on May 14<sup>th</sup>. Those delegations lasted some four and a half hours (five minutes each), and Council members debated the issue, but chose to table it to their next meeting rather than take a final vote.

Hamilton Councillor Dave Mitchell wasn't amused by the motion to table. "We spent four and a half hours on something we don't even have jurisdiction on."

## Judges throw out OPG appeal: Society breaks new ground

An innovative "interim award" can stand, say three judges of Ontario's Divisional Court. Their ruling means temporary relief from loss of pay can be awarded while grievances are processed.

The dispute arose over a grievance the Society filed against OPG. It involved an employee of over 30 years who was cut off sick leave when an OPG physician disagreed with the grievor's own physician over the extent of his illness and his ability to return to work. As arbitration hearings began, the Society asked Arbitrator Shime to reinstate the grievor's sick benefits while his case was being heard. Over OPG's objections, Arbitrator Shime did so. He awarded the grievor *ex gratia* (out of kindness) payments equivalent to sick leave for such time as it took to decide the grievance.

Under ordinary circumstances, employees who are terminated or lose sick leave must wait until their grievances are settled or arbitrated before they can recoup their losses. Obviously, this can subject a grievor to financial hardship



**On May 10th, the Society's Pensioners' Chapter met, and elected a new Executive. Outgoing President Ian Elder (l) and outgoing Secretary John Kroeger (r) flank 2007-8's (l to r) Vice President David Jeffords, Treasurer Bev Wong, Secretary Danny Quan, and President David Mintz.**

while waiting for closure. Interim awards of pay or benefits would remove a great deal of pressure on employees to settle for less than they feel they are entitled to.

Though Arbitrator Shime had gone on to rule in the grievor's favour, reinstating his sick leave, OPG appealed Shime's "interim award" to the Courts anyway. The possibility of further interim awards was too scary to employers not to fight them. Justices Cunningham, Chapnik, and Healey rejected the Employer's attempt to quash the award.

The ruling in this judicial review sets a precedent that other unions are very interested in, and the Society has made information on the case available to them.

The Society's position in the Divisional Court was argued by Society counsels John Stout and Jo-Anne Pickel, both of Cavalluzzo Hayes Shilton McIntyre & Cornish. Society Staff Officer **André Kolompar** assisted.

## Arbitration round-up

Following are a few of the important grievances the Society has resolved in the past few months.

**OPG:** The Employer claimed the position of media manager for its Deep Geological (Nuclear Waste) Repository project on the Bruce Power site had to be excluded from the bargaining unit, in that the employee involved would have access to information involving labour relations. The Society argued, and Arbitrator Surdykowsky agreed, that the employee was unlikely ever to be involved in a "confidential labour relations" capacity. A hearing on another issue—whether the position has been incorrectly assessed according to OPG's own procedures (Plan A)—has yet to be scheduled.

**Bruce Power:** The Society grieved that a number of employees who had taken the full commuted-value option when they retired were entitled to post-retirement benefits. The Society cited the Shime award in a similar situation in OPG (see *Newscast* 2006:05), and noted that

the language on the matter in the Bruce Power collective agreement was similar. The Devlin award in Hydro One (same *Newscast*) provided a counter-example.

The matter was settled before arbitration along the basis of an award Arbitrator Teplitsky made for the PWU at Bruce Power: effective January 1<sup>st</sup>, 2007 all Society members who opt to take full commuted value of their pension benefit are entitled to the health care benefits but not the post-retirement life insurance. The grievors, all of whom retired in 2006, will also get the benefits, effective January 1<sup>st</sup>.

**Hydro One:** The Employer claimed an employee who retired in 2006 was not eligible for the “retirement bonus” set out in the collective agreement, a payment equivalent to a month’s pay. In order to be eligible for the bonus, an employee must have had ten years’ continuous employment; the employee involved had only been employed at Hydro One since 2001. Previous to that, from 1981, he had been employed by Ontario Hydro and the Independent Electricity Market Operator (the current IESO). Arbitrator Herman ruled that the preponderance of evidence indicated that the grievor’s service with his previous em-

ployers were recognized for the purpose of the retirement bonus, and ordered that it be paid.

**OPG:** The Society disputed the removal from the bargaining unit of a section manager position, subsequent to an Employer reevaluation of the position. When the Employer refused to disclose, prior to the dispute being heard in arbitration, any of the relevant documents concerning the position or its reevaluation to the Society, the Society grieved. Arbitrator Bloch ordered the Employer to disclose.

## Society member profile: OPG’s Gloria Kwong

*(reprinted, with permission, slightly edited, from Power News, an OPG publication)*

OPG is a company loaded with people who have unique skills, extensive training, and considerable experience. Gloria Kwong, a soft-spoken, senior technical engineer in Nuclear Waste Management Division (NWMD), is a fine example.

Kwong represented Canada as a delegate to the 2006 International Youth Nuclear Congress in Stockholm, Sweden and Olkilouto, Finland, where she received a bronze medal for a paper she delivered there. The theme of the conference was Youth, Future, and Nuclear – three words that definitely apply to Kwong.

“People like Gloria represent the future of this company. She’s highly interested in the work. She wants to make a difference, and she is ethically sound,” said Martin Carney, a long-time employee in the nuclear industry and Kwong’s supervisor. Noting a renewed sense of optimism within the industry, Carney added, “It will be committed, bright, young people like Gloria who are gaining respect on the international scene who will take nuclear into the future.”

And taking the nuclear industry into the future is one of the reasons Kwong, who has worked on low and inter-



photo: courtesy OPG

**Gloria Kwong, OPG senior technical engineer**



mediate level waste storage design, but is now focussed on technical studies to support a used fuel repository safety assessment, believes our lives can benefit by integrating nuclear science and technology.

"I think the reason why my paper earned its recognition is because it relates to real life situations," she said of her winning paper, *Aging Management Applied to Storage of Bulk Ion Exchange Resin in Epoxy Coated Carbon Steel Containers*. Kwong's paper presented a method to predict and evaluate potential problems caused by corrosion with storage containers for intermediate nuclear waste. With over 243 technical research papers presented at the five-day conference (with representatives from 55 countries) plus keynote speakers, Kwong was very excited to be singled out for the bronze medal. (Italy won gold and South Korea won silver.)

"I'm very happy to see the topic was well received. This shows that the emphasis is not only on energy generation, but that the nuclear industry is also committed to

managing nuclear waste responsibly in order to safeguard future generations," she said.

An OPG employee for the last six years after a short stint at Bell Canada, Kwong, a chemical engineer with a master's degree, continually strives to keep abreast of her field. She not only works full time, but spends at least 20-25 hours a week studying. She is currently researching and evaluating the corrosion performance and suitability of stainless steel for the storage of intermediate level resin wastes as part of a five-year PhD program in corrosion engineering at Imperial College in the United Kingdom.

When she isn't working or studying, this soon to be corrosion expert enjoys inline skating, cycling and learning to play golf.

## Donais takes workplace fairness down under

Government can make laws that require workplaces to be fairer, says Society Staff Officer **Blaine Donais**. But without unions to back them, employees treated unfairly will always be at a disadvantage.

Even if legislation requires terminations to be for "just cause," as is the case in some jurisdictions, individual employees would have a very hard time fighting unfair ones. Without the power of union dues-generation, they're on their own.

Donais spoke on April 18<sup>th</sup> in a public lecture, "Should governments mandate workplace fairness," at La Trobe University in Melbourne, Australia. His lecture was associated with a four-day course he co-taught to La Trobe graduate students in the School of Law on workplace conflict and grievance resolution.

Donais is the author of *Workplaces that Work: A Guide to Conflict Management in Union and Non-union Work Environments* (see *Newscast* 2006:05), launched last October in Toronto. It sets out a system by which managers can



Society Staff Officer and author **Blaine Donais**

ensure fairness in their workplaces, leading to better results and more satisfied employees.

While workplace fairness cannot be achieved without unions, Donais told his Australian audience, unions must be seen, and must see themselves, as partners in the management of workplace conflict. Unions are “simply the free expression of the desire among employees to band together to negotiate just and favourable conditions of work. [They are] the vehicle for instituting the rule of law in the workplace.”

In return, employers, employees, and society as a whole must freely accept unionized workplaces and collective bargaining as the norm. Governments must promote, support, and enforce collective bargaining regimes, not just enact laws to make them possible.

In Donais’s view, his talk was a timely one, given the situation in Australia currently. The government of the Liberal Party’s John Howard has passed “WorkChoices” legislation that actively discourages collective bargaining. Instead, it promotes “Australian Workplace Agreements (AWAs),” contracts “agreed to” between employers and individual employees.

According to the Office of the Employment Advocate, they appear to be having an effect: a study of AWAs signed in April, 2006 showed that 100% of AWAs removed at least one protected Award condition (minimum standards set by Australia’s Industrial Relations Commission); 63% of AWAs have not included overtime payments; 52% of AWAs have removed previously existing overtime payments; and 40% of AWAs have dropped official public holidays.

WorkChoices gives employers the right to refuse to negotiate collective agreements, and provides for fines of up to \$5,500 for workers and \$30,000 for employers who attempt to negotiate conditions such as protection against unfair dismissal.

An election is expected this year, and some commentators are calling it a referendum on WorkChoices, with many

Australians seeing WorkChoices as an attack on workplace fairness.

As far as workplace fairness is concerned, Donais told his audience, Australia appears to be going in the wrong direction.

*(The views of Blaine Donais the author are expressed as an individual, and cannot be taken to be the views of the Society.)*

## **New Society web-site targetted to launch June 29<sup>th</sup>**

The Society will soon have a new web-site. The target launch date is June 29<sup>th</sup>.

The new site has been in the hopper since 2004, when the first decision was taken to replace the current site. Various staffing and web-developer issues have conspired to delay the launch.

In 2004, the Society contracted with a firm called Toronto’s NTS Internet Solutions, Inc. to assist with development. They were subsequently bought by Vancouver-based Ironpoint, who “streamlined” NTS’s operations by sacking all but one employee. Last summer, at a crucial point in the development process—writing the engines that work with the web-site’s database—Ironpoint was bought by Action Network of San Diego, California.

Shortly after *that* development, the Society re-started the process, issued a new request for proposals, and contracted with Biz-zone Internet Group, Inc. of Unionville to get the job done.

The new web-site is designed to be much more powerful and flexible than the old one, with a portal for each Society Local, and greater interactivity capabilities. More information will be posted to the public sections of the site, and Society members will be able to change their information securely and more quickly than with the current site.

## “Underperforming” BCE attacks post-retirement benefits

(with reports from *Bloomberg*, the *Financial Post*, and the *Globe and Mail*)

Bell Canada Enterprises plans to end post-retirement benefits for employees retiring after January 1<sup>st</sup>, 2012.

Unions representing Bell employees have reacted strongly to the move, demanding that Bell withdraw the announcement. This month, the Communications, Energy, and Paperworkers Union and the Canadian Telecommunications Employees’ Association (CTEA) have held demonstrations outside Bell offices in Ontario and Quebec to bring public attention to the issue.

At stake are retirees’ medical, vision care, and dental care benefits, as well as a \$10,000 life insurance policy.

It’s a difficult time to be noticed, however. The announcements of benefit cuts have been completely engulfed by speculation on which group of pension funds and private equity giants will be willing to fork out tens of billions of dollars to buy BCE. The giant telcom has been on the block since CPP and the Ontario Teachers let it be known that they were considering forming a consortium with New York’s Kohlberg Kravis Roberts to buy BCE. Teachers is already BCE’s largest shareholder, owning 5.3 per cent.

The Ontario Municipal Employees Retirement System (OMERS) is also kicking the tires.

According to the business press, BCE is cash-rich, but has underperformed in comparison to other telcoms, so is considered ripe for takeover.

Bell unions have been hard-hit by downsizing and cost-cutting. Last fall, 1,000 employees accepted an early retirement offer. This last February, BCE announced another 4,000 jobs would go, as well as some Bell assets, in an attempt to prop up its share price and its profits. The CTEA says Bell is shipping Canadian jobs to India.



**CTEA members demonstrate outside BCE headquarters at 600 rue Jean Talon, Montreal**

Photo: courtesy CTEA

At the same time, BCE CEO Michael Sabia has earned 26.5 years of pension credits since joining the company in 1999.

Since the takeover speculation began, BCE’s share price has gone from around \$28 to more than \$38.

BCE is only the latest large corporation to announce it’s going to try to shed pension liabilities. In February, Sears Canada announced elimination of post-retirement benefits for those who haven’t reached the eligibility criteria by December 31<sup>st</sup>, 2008. Last year, Nortel Networks said it would do the same by January 1<sup>st</sup>, 2008.

Hugh O’Reilly, a pensions specialist at Cavalluzzo Hayes Shilton McIntyre & Cornish, said, “BCE’s announcement continues the disturbing trend in corporate Canada to prop up profits by cutting long-standing benefits. As it progresses, it will put a lot of pressure on the government for state-sponsored prescriptions.”

Post-retirement benefits are not included in the BCE unions’ collective agreements. But CEP VP John Edwards says Bell has routinely argued in bargaining that those

benefits must be figured in to the value of their compensation package. "We've paid the price for this at negotiating tables over the last 30 years," he said.

He says the issue will be raised at the bargaining table.

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