

News from the Society of Energy Professionals

**Inergi
Local: Don't
let them send
our jobs to
India!**



IT analyst Chryselle D'Souza came to Canada from Bombay when she was eight. Now Capgemini wants to ship her job to India.

Members of the Society's Inergi Local have begun a lobbying campaign amongst Ontario MPPs. Capgemini, Inergi's owner, wants to send their jobs to India, and the Local's members want the government to put a stop to it.

"Capgemini's told us they want to offshore much of their Inergi work, and it'll be a big priority for them next time we bargain," says Inergi Local VP **Elaina De Luca**. "We're telling MPPs that the Inergi spin-off clearly isn't working, and Hydro

One would be better off reintegrating us. We hope they'll get that message to Premier McGuinty."

The Inergi Local consists of nearly 300 Society-represented positions spun off from Hydro One in 2002. Inergi's agreement with Hydro One provides that until 2012 it will be the provider of Hydro One's information-technology functions ("energy technological services") and business process operations support, including finance, payroll, supply management, and its call centre.

De Luca points to last December's report of the Ontario Auditor General on Hydro One's procurement practices. "While the attention was on Tom Parkinson's secretary's credit card," says De Luca, "the structural problem was missed."

The "structural problem," she says, is that Inergi's services are viewed by some Hydro One managers as too expensive. "Hydro One employees were told to use their credit cards, rather than go through Inergi, because it was cheaper. Clearly, we were a better value when we were inside Hydro One, performing services for a company we were a part of."

"Capgemini management compensation, the high cost of non value-added Capgemini overheads, and heavy reliance on expensive contractors with no succession planning are at the root of the problem," she added. "The problem won't be fixed by sending our jobs to Bangalore."

A letter from the Local to MPPs points out that the decision to offshore could have negative effects on:

- ◆ The reliability of the power system
- ◆ Crisis response (such as during a blackout)

- ◆ Security of data
- ◆ Security of the power system
- ◆ The financial burden on electricity ratepayers
- ◆ The loss of crucial professional jobs

“We’re calling for a thorough review of Hydro One and OPG’s decisions to outsource in light of the significant savings for electricity ratepayers of eliminating duplication of the overheads and profit margins inherent in the spin-offs,” De Luca said.

(Capgemini also owns New Horizon System Solutions, an OPG spin-off that performs information technology services for OPG.)

De Luca reported “good responses” from some MPPs her members had spoken to, including a Liberal who’s written to Hydro One to object. “Most liberal MPPs claim they can’t do anything, because Hydro One is independent, but that’s something that wasn’t in evidence when Tom Parkinson had to go.”

The Inergi Local will hold an anti-offshoring rally and bar-becue at Trinity Square in Toronto on September 13th.

Board highlights: June-July

The Society’s Executive Board met on Wednesday, July 4th. Following are the items discussed, and decisions made:

Recognition: Members of the Board suggested, and the Board approved, that the following be given special recognition and appreciation from the Board for the following:

- ◆ The Organizing Committee at the Ontario Energy Board, for their successful organizing drive (see *NewsCast* 2007:02).
- ◆ Senior Financial Officer **Joan Florence** and Accounting Clerk **David Russell** for their diligence in preparing the audit files for the external auditor
- ◆ Communications Officer **Brian Robinson** and Senior Network Administrator **Dmitry Barabanov** for the launch of the new web-site, a significant improvement over the previous one, with a number of outstanding new features

- ◆ The Hydro One Local, for generating a turnout of 77 per cent of eligible voters in their recent ratification vote (see *NewsFLASH* 2007:01)
- ◆ Communications Officer **Brian Robinson**, for his last-minute work in preparing a photo table for the launch of the “Getting it Right” campaign at the Economic Club of Toronto (see *NewsCast* 2007:02)

Pledge to TEAM: The Telecommunications Employees Association of Manitoba (TEAM) represents some 1,100 managers, supervisors, engineers, and other professionals, currently in bargaining with their employer, MTS Allstream. (See article, below.)

Society President **Andrew Müller** proposed that the Society help convince MTS Allstream that TEAM had the support of the wider labour movement, and proposed that the Board approve a pledge of a loan of \$1,000,000, if necessary, to TEAM’s defence fund. Such a loan would be in conformity with the Society’s “Solidarity Lending Policy.” TEAM’s Treasurer has estimated that such a loan could be paid back, post-strike or -lockout, within five years.

The Board unanimously approved the pledge.

(The Society Staff union, representing the Society’s 24 staffers and three IFPTE Canadian staff, has pledged a loan of \$30,000 to TEAM.)

More information on this issue can be found at at the TEAM, Manitoba Federation of Labour, and MTSAllstream-Watch web-sites.

Human Rights and Harassment Policy: Society VP Policy **Leslie Forge** and Staff Officer **Matthew Kellway** reported on current activities and plans for promulgation of the recently adopted Human Rights and Harassment policy. They include:

- ◆ the policy itself and the necessary changes to the Constitution and Bylaws will be presented to Society Council in October for approval
- ◆ a contract template is being developed for the appointment of investigators and mediators when necessary

- ◆ various responsible individuals and groups involved in the policy's procedures will need to be made aware of their new roles and responsibilities, and provided with the training required to fulfill them

They reported that they'd be working closely with the Society's training and communications programs as the policy is implemented.

Inergi Local & offshoring: The Inergi Local has been conducting a campaign of lobbying MPPs regarding Capgemini's stated intention to offshore much of the Inergi and New Horizon work being done for OPG and Hydro One. (See article, above.)

Pensioners' grievance rights: The Board heard a presentation by the Pensioners' Chapter's **David Mintz**. He referred to research conducted by Staff Officer **Sonia Pylyshyn** regarding unions' rights to grieve issues relating to individual pensioners. She had looked at two questions:

- ◆ Can a union grieve on behalf of a pensioner, even though s/he is not an employee at the company in question?
- ◆ Is a union **required** to grieve violations of pensioners' rights under a collective agreement?

He stated that the research shows that where a right under a collective agreement is being violated or applied improperly, the union can grieve, including on behalf of an individual pensioner. It is not so clear, however, he added, that unions are **required** by the *Labour Relations Act* to represent pensioners in this way. He was concerned, he said, that the Society take a progressive stance, protecting pensioners' rights as vigorously as those of current members.

While some Board members were concerned about the cost of representing individuals who were not at the time paying dues, the Board reiterated its policy that "a complaint from a pensioner [will] be treated in the same way as a complaint from an active member."

SPEA Bylaws: The Board approved the draft local bylaws of the SPEA Local. Approval was necessary because the

structure of the SPEA local varies from the structure of Society locals as set out in the Constitution and Bylaws. Rather than divide their members in units for representation, SPEA has no unit directors or delegates, but has a number of Executive "members-at-large," each of whom represents all members (and is elected by all members). Also, the head SPEA official is called the "President," and not the "Local VP."

Society VP Membership **Rod Sheppard** noted that the Society's Constitution and Bylaws will need to be revised to reflect this variation.

"West" Office: The Board released \$100,000 for renovation of the SPEA Local's new office in Mississauga. While it will mainly be used by the SPEA Local, it is available for other locals to use as well. The IESO Local is one that has already made use of the SPEA location.

WNA Conference: The World Nuclear Association's annual conference will be held in London, England in September. President **Müller** advised the Board that given the plans to build new nuclear reactors in Ontario, this event will be an important networking and lobbying opportunity. The Board voted to fund the attendance of four representatives of the Society.

Society Council: Society Council will meet October 27th to 29th. VP Membership **Rod Sheppard** reported on membership numbers as of 120 days previous to the holding of Society Council. (The Society's Bylaws set out that Locals are entitled to numbers of Council representatives as determined by membership numbers as of 120 days before Council is held.) Final numbers are:

Brookfield Power	1
Bruce Power	9
ESA	1
Hydro One	8
IESO	4
Inergi	3
Kinectrics	2
New Horizon	4
Nuclear Safety Solutions	3



photo: Anna Liu

On July 5th, Society VP Membership Rod Sheppard presented a “cheque” to the Telecommunications Employees Association of Manitoba. Pictured are (l to r): Victor Otto, Judy Demski, and Bob Linsdell (TEAM); Michelle Duncan (Society staff); Pat Basarowich, Louie Haklar, Misty Hughes-Newman, and Jamie Barbour (TEAM); Sheppard; Ed Maxwell and Larry Trach (TEAM), and Brian Lawson (IFPTE staff).

OEB	2
OPG	33
SPEA	9
Toronto Hydro	1

He encouraged the Board members to consider putting forward further nominations, so that the Committee can be filled.

Standing Finance Committee: VP Finance **Bill Jones** reported that the recommendation of the Audit Action Plan to create a Standing Finance Committee is underway. The Board had appointed three representatives to it—**Rob Stanley** (Bruce Power Local VP), **Joe Fierro** (OPG unit director), and **John Cameron** (Hydro One unit director)—but no further nominations had been received.

The AAP recommended that the Standing Finance Committee have four to five members. Jones announced that the Committee would begin to meet and perform its functions, the shortage of members notwithstanding.

TEAM tents support bargaining

Manitoba was festooned with TEAM tents in early July, as members of the Telecommunications Employees Association of Manitoba (IFPTE Local 161) demonstrated their support for their bargaining team in conciliation.

“MTS looked like a provincial park on a long weekend,” said a communiqué issued by TEAM’s bargaining team. Signs on the tents read “Fairness and respect” and “No! to the status quo,” among other things.

TEAM represents some 1,100 managers, supervisors, engineers, and other professionals, currently in bargaining with their employer, MTS Allstream. The Manitoba Telephone System was formerly a provincially owned telecommunications utility, but the government of the PC Party's Gary Filmon privatized the company in the late 90s. MTS acquired Ontario-based Allstream Inc., becoming MTS Allstream in the process, and has engaged in a series of rationalizations, lay-offs, sell-offs, and increased outsourcing, as they seek to become "leaner."

TEAM members complain of unrealistic workload targets, ongoing restructuring, layoffs, and contracting out—1,100 job cuts across the country since November 2005—being passed over for promotions, and being associated with TEAM, among other things.

Bargaining has been underway since February. MTS Allstream is proposing that TEAM accept a two-tier pension plan, with all new employees subject to a defined-contribution plan. TEAM is prepared to fight this proposal, as they view it as discriminatory to younger workers coming into the company. They note that MTS management have engaged in "surface bargaining," dragging their feet "on the simplest of issues," refusing to address seriously any of TEAM's issues. Interestingly, MTS began negotiations by expressing their desire to "expedite bargaining."

The Employer applied for conciliation in June, and the two parties have attended three days of meetings with few results. Conciliation will recommence on July 23rd. The federally-appointed conciliator has a mandate to work with the parties until August 21st. If agreement is not reached by August 21st, conciliation can be extended by mutual consent, or TEAM and MTS Allstream will be in a strike/lock-out situation 21 days after the conciliator files his report (mid-September).

MTS Allstream has locked out a group of employees before—a local of the Communications, Energy, and Paperworkers Union was locked out for over 100 days in 1998.

TEAM affiliated to the IFPTE in July, 2006, in the process doubling their dues (see Newscast 2006:04).

More information on TEAM can be found at the TEAM, Manitoba Federation of Labour, and MTSAllstreamWatch web-sites.

Contracting out a big waste: IFPTE Local 17

Contracting out engineering design is wasting hundreds of millions of dollars and squandering infrastructure potential, says an IFPTE Local that represents public employees in the State of Washington.

"For too long, the distorted, exaggerated, and unfair story of government waste and inefficiency has been used to bash elected leaders and public employees" said IFPTE Local 17 Executive Director Joseph McGee. "In fact, public sector workers perform equal to or better than their private sector counterparts."

The Local research project, "Value (-) Subtracted," examined the expenditures involved in five projects of various sizes undertaken by the Washington State Department of Transportation, all of them contracted out. Where work was performed by a contractor that was "equivalent" to a State employee position, the price paid was compared to what would have been paid to the State employee. They found that the State had paid \$850,000 too much—or \$3.2 million for what they could have got for \$2.3 million—if they'd done the work in-house. (This does not take into account what the State had to pay to oversee the contracted-out work, of course.)

If the State continues to contract out at its current rate, a quarter of a billion dollars (between \$187 and 281 million) will be over-spent over the next 15 years on preliminary engineering design work alone, the report concludes.

McGee says it's a bad time for the State to be relying so much on contracting out. Various measures recently passed by the State Legislature have provided the Transportation Department with an unusual luxury—16 years of stable funding. It's a time, he says, to build up State expertise and capability.

“Simply put, WSDoT engineers provide the best value for the money. By contracting out their work, the DoT is doing a disservice to their own project delivery goals, their employees, and, ultimately, the taxpayers. With the publication of this report, Local 17 is providing evidence of this fact,” McGee said.

The Local 17 study is consistent with many other studies on the same subject, report author and Local 17 Research Director Elliot Levin says. A 1999 review of 17 studies

comparing the costs of contracting out design work, “14 found that in-house work was more cost-efficient than consultants, while only one” concluded the opposite.

Local 17 represents 8,500 state, county, and city employees in Washington State.

Value (-) Subtracted can be found on the Local 17 website.

Society Newscast 2007:03

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