



June 20, 2012

The Right Honourable Stephen Harper
Prime Minister of Canada
Langevin Block
80 Wellington Street
Ottawa, ON K1A 0A2

The Honourable Darrell Dexter
Premier of Nova Scotia
Vice Chair of The Council of the Federation
PO Box 726
Halifax, NS B3J 2T3

Dear First Ministers:

On behalf of the more than 17,000 member firms represented by the Canadian Construction Association (CCA), we are writing to respectfully suggest a change in government practice that could reduce employment seasonality within the construction sector and decrease the need of industry employees to access Employment Insurance (EI) benefits.

The proposed EI system reforms have generated considerable discussion within the construction industry, particularly with those contractors engaged in seasonal construction. These heavy construction contractors who work principally in the field of road and underground utility construction are already experiencing labour shortages and are concerned the proposed reforms will discourage new employees from pursuing a career within the sector, or will drive existing employees toward less seasonal industries. Should this happen, labour and project construction costs would rise as the industry is forced to offset workforce losses with less skilled spot labour or temporary foreign workers.

While climate will always be a challenge governing practices within the heavy construction sector, the adoption of early tenders and long-term multi-year capital budgets could help extend the construction season, thereby shortening industry furloughs and the reliance of its employees on the EI program. In fact, short of laying asphalt and pouring concrete in road works, the adoption of early tendering practices could keep most of the heavy construction industry – particularly underground utility works – busy throughout the year if not for a full calendar year.

The decision, however, to extend the season is one outside the control of the industry as project terms, timeframes and tendering practices are the purview of public owners. Without changes to these practices, the industry will remain seasonal in nature, and much of its workforce will remain dependent upon government support programs during the offseason months, especially in areas of high unemployment.

Current tendering practices vary widely between jurisdictions and lack predictability, with tenders often carried out late into the construction season. In part, this is due to the appropriations process for capital budgets, which varies year-to-year and fluctuates depending on economic conditions. Not only does this shorten the construction season, but since these tenders are often published during periods of peak construction demand, project pricing is less competitive than it would be if pursued during periods of lower demand.

The adoption of early tendering practices, namely tendering between October and December for the ensuing season and the establishment of long-term multi-year capital budgets for infrastructure construction and maintenance would significantly improve workforce and project management within the industry and help reduce or eliminate employment seasonality. The result would be longer annual workforce employment, more competitive pricing for public projects, higher incomes, and, in a growing number of circumstances, reduced or eliminated reliance on EI

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Construction remains the bedrock of Canada's economy. Collectively, the industry employs nearly 1.3 million Canadians and accounts for seven per cent of the country's gross domestic product. It is a significant direct contributor to the prosperity of Canadians, and as an enabler of growth in other sectors, construction helps drive our economy forward.

As an industry, a significant amount of time and resources are dedicated to employee recruitment, training and professional development. Our skilled workers are in short supply and are critical to the industry's overall success. As such, while the industry supports the goal of governments to reduce seasonal employee reliance on the EI program, we believe these changes should not be implemented in isolation and that governments should work with industry to overcome the challenges that create seasonal working conditions.

The federal government will shortly be consulting with stakeholders on the development of a Long-Term Infrastructure Plan (LTIP). We believe these consultations provide a unique opportunity for governments to work with our industry to overcome both industry and public sector policies that contribute to industry seasonality. The adoption of early tendering practices and long-term capital budgets are just two measures that we believe must be a component of the LTIP as these measures would help reduce construction seasonality, which would be in the best interests of our workforce, the economy, and ultimately, all Canadians. This change, however, will only be possible if First Ministers exercise leadership and work to implement these policies within their respective governments and across all levels of government in Canada.

The Canadian construction industry remains committed to working with your respective governments to meet the challenges confronting our economy today and in the future, and we look forward to your reply to our suggestions.

Yours sincerely,



John Schubert
CCA Chairman



Michael Atkinson
CCA President

cc: The Honourable Christy Clark
Premier of British Columbia

The Honourable Alison Redford
Premier of Alberta

The Honourable Brad Wall
Premier of Saskatchewan

The Honourable Greg Selinger
Premier of Manitoba

The Honourable Dalton McGuinty
Premier of Ontario

The Honourable Jean Charest
Premier of Quebec

The Honourable David Alward
Premier of New Brunswick

The Honourable Robert Ghiz
Premier of Prince Edward Island

The Honourable Kathy Dunderdale
Premier of Newfoundland and Labrador

The Honourable Darrell Pasloski
Premier of the Yukon

The Honourable Robert McLeod
Premier of the Northwest Territories

The Honourable Eva Aariak
Premier of Nunavut