



27 November 2017

Hon. Gilles LePage
Minister of Labour, Government of New Brunswick
PO Box 6000
Fredericton, NB E3B 5H1

Dear Minister LePage:

Re: Bill 4 - First Contract Legislation

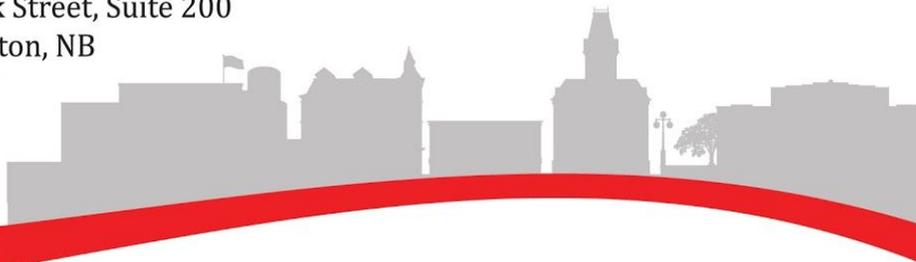
On behalf of our nearly 1,000 member businesses and organizations, who employ more than 25,000 people, I am writing today regarding Bill 4 - *An Act to Amend the Industrial Relations Act* and the intention to introduce first contract arbitration in New Brunswick.

You state in the government's news release, "This legislation is about fairness and strengthening labour relations in New Brunswick." Through our work with the New Brunswick Coalition of Employers it seems as though only labour organizations were consulted prior to the Bill's introduction. It does not seem to be fair that only the group, from our perspective, that stands to benefit from the legislation was given an opportunity to help shape the legislation. It is not clear how such an approach will lead to "...fairness and better relationships between workers and employers..."

We would be interested in learning more about why this legislation was introduced at this time when New Brunswick is experiencing substantial labour harmony. First Contract Arbitration may upset this balance as it makes it easier for unions to form in the first place since the union can essentially promise at least some of their demands will be met - with a guarantee of no job action before the first contract. Unionization isn't a fit for all workplaces but this legislation may encourage workers to go down that road regardless of particular circumstances.

First contract arbitration also infringes on the principles of free collective bargaining as the parties will be disincentivized to compromise as they can fall back on arbitration and the knowledge that an arbiter is likely to split the difference between the parties for a first contract. The parties to the negotiation are best positioned to determine priorities and agree on terms to achieve them.

Given this backdrop and with businesses facing a sluggish economy and a rash of cost increases over the past two years, why has the government made it a priority to facilitate unionization? As Green Party leader David Coon stated: "It does overall increase the potential for unionization across New Brunswick, *which is key here.*" Is this also the government's key motivation?



You state in the 25 October 2017 news releases that “Studies have shown that first contract arbitration reduces work stoppages by at least 50 per cent and that wage increases, among other provisions, enacted through FCA are consistent with those reached through voluntary collective bargaining.” We are requesting a copy of those studies as we were not able to find them online.

We would also like to know if the government further examined the economic impact of this legislation before introducing Bill 4. Will it make New Brunswick more competitive globally? Will it make us more innovative? More productive? Will it help add to our skilled labour force? Will it create jobs? If we can answer positively to these questions, then all parties will stand to benefit - if not then we have to consider if we are just introducing yet more red tape and cost to business.

We are asking that Bill 4 be pulled from the legislature until these questions can be answered. If this government is moved by evidence-based decision making, then it is only reasonable to provide all the evidence considered before asking for comment through consultation.

In the alternative, if the government does move ahead with Bill 4, we ask that the government introduce secret-ballot voting for the certification process as a means to provide some balance to unionization.

Should the government decide to pull Bill 4 and restart their process by consulting both business and labour on the creation of the document, we would be pleased to gather more input from our members in order to provide you with more detailed information.

Sincerely,

Krista Ross, CEO
Fredericton Chamber of Commerce