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February 2021

MEMBERS ELECT ROMEO MILANO PRESIDENT OF COCA AT AGM



At its Annual General Meeting held on the morning of February 25, 2021, Romeo Milano, was elected as Chair of the Council of Ontario Construction Associations (COCA). Romeo's credentials and qualities that equip him well for his new role include the following:

- more than 30 years of experience providing environmental consulting services to the construction industry
- extensive governance experience as a Past Chair and current Director of the Toronto Construction Association, as a past Director and current Advisory Council member of the Canadian Construction Association and as a Director and Executive Committee member of COCA for many years
- more than 15 years providing business leadership in his own company, Safetech Environmental Services Inc.
- the admiration and respect that he has earned across the construction industry

Peterborough and District Construction Association President, Chuck White, was welcomed as a new member of the Board of Directors at the AGM. White is president of the Peterborough equipment sales and rental company Rapid Lift Inc. and succeeds longtime COCA Director Leo Brower who retired.

The members also confirmed the provincial federation's Executive Committee for 2021-22 as follows:

- Past Chair – Steve Dietrich (LDCA, AGF Rebar)
- Chair -Romeo Milano (TCA, Safetech Environmental)
- 1st Vice Chair – Ted Dreyer (GVCA, Madorin-Snyder LLP)
- 2nd Vice Chair – Dan Lancia (ECAO, Holaco Installations)
- 3rd Vice Chair – Kevin Brown (NCA, King Contractors of Niagara))
- Treasurer - Roger Hubbard – (RSIC, AMJ Enterprises)
- Member At-Large - Harold Lindstrom CATB, (representing the COOs)
- Member At-Large - Margaret Taylor (OADC)
- Member At-Large – Ron Johnson (ISCA)
- Member At-Large – Paul Gunning (AAO)

ANTIGEN RAPID TESTS DEPLOYED IN CONSTRUCTION

Here's what we know about the deployment of antigen rapid tests on construction sites:

- The government of Ontario has secured a massive supply of antigen rapid tests that it wants to make available at no charge to workplaces in order to control the spread of the virus and keep workers safe
- The tests will primarily be used in the types of workplaces where there have been significant outbreaks or that pose the risk of significant outbreaks such as long-term care homes, manufacturing plants, food processing facilities, schools etc.
- The antigen rapid test is not a diagnostic tool, it is merely a screening tool like the non-contact thermometers that are being used to screen workers at many workplaces
- They are only used for asymptomatic workers, i.e. workers that display no signs of the disease
- Workers who test positive on the antigen rapid test are required to get a PCR test diagnosis. If the PCR test confirms that the worker indeed has COVID19, the worker must quarantine for 14 days
- The provincial government hopes to deploy 400,000 rapid tests in the construction industry. That's enough to test 20,000 workers twice a week for 10 weeks until the vaccine rollout begins to take hold
- The antigen rapid tests are being made available to companies at no charge and on a totally voluntary basis. Companies that agree to deploy the antigen rapid tests must sign a very straight forward contract with the government agreeing to use the tests in the way that's intended. In construction, the company that voluntarily agrees to use the tests is the general contractor (we are also aware that some trade contractors may wish to deploy the antigen rapid tests.)
- The government prefers to deploy the antigen rapid tests in communities with a heavy virus load, on work sites with more than 100 workers and on projects that are closed-in or that have poor ventilation
- The antigen rapid tests have been piloted on a number of large sites in downtown Toronto where the logistics of the testing have been worked-out
- In the pilots, the general contractor has made taking the test a pre-condition to working on the site
- In the pilots, the general contractor has born the cost of hiring health professionals required to administer the tests, which are available from the government at no charge. At one pilot site, the general engaged the services of six nurses to administer the tests throughout the duration of the workday.
- The qualifications for those qualified to administer the tests has been lowered to a health professional, possibly just a first aider, lowering that cost
- However, the trade contractors bear the costs of the time it takes for each worker to down the tools, make their way to the testing location, take the test, wait for the result, return to their workstation and gear up again. It's estimated that this can take more than one hour on a large construction site
- Some trade contractors are asking for the equitable sharing of all costs associated with administering the antigen rapid tests to workers among all parties that benefit while others believe the deployment of antigen rapid tests on construction sites, where the transmission of the virus has been extremely low, is overkill
- The lost productivity costs related to administering antigen rapid tests is just one more of the many unanticipated costs brought on by the pandemic that are being pushed down the construction project pyramid to be born unfairly by trade contractors

COCA REPORT – ACCESS TO QUEBEC MARKET



(What follows are remarks prepared by our colleague, Gord Rados of the OSSFA and presented at COCA's recent Board of Directors meeting. There was a lively discussion after Gord's presentation and the Board struck a working group to investigate the issues he raised.)

Many of you may know this is a long-standing issue for us in construction. Back In 1999. ..The Fairness Is a Two Way Street Act, was passed and it worked. The Act retaliated by placing similar restrictions on Quebec-trained tradespeople and Quebec-based companies seeking work in Ontario. It protected Ontario Trades- helped save jobs and made Quebec accountable by treating Quebec as they had been treating us.

Back in or around 2005 Quebec tried everything to get this legislation removed. Quebec agreed to sit down and discuss and find ways to make it Fair for Ontario. Our then Premier Dalton McGinty repealed this ACT in 2006 with promises from Quebec that they would open borders to Ontario trades and businesses. Unfortunately, Quebec did not keep their end of the bargain and today- we have no more legislation to protect us- and Quebec trades work here freely- as they wish.

They can do this easily because they are heavily subsidized by their provincial government. Cheaper property and business taxes, cheaper electricity rates, Quebec businesses also have significant incentives/ business support subsidies to help them not only compete but win work in Ontario with an estimated real 10-15% competitive advantage. For every, one subsidy program in Ontario – they have 4 more. A 5:1 ratio

So Why Does Quebec Work Here..

- Quebec has an aging population that is generally stagnant- their economy is not as strong and is not growing at the same rates as either Ontario or The United States- their closest neighbors and biggest trading partners.
- Geographically our Ontario market is easily accessible, profitable and we make it easy to do business in Ontario. With no obstacles. They can come and go as they wish..
- They know they have a built-in Quebec sponsored advantage- to win more projects here in Ontario. So there is an incentive to work here and make money.
- Quebec has some very shady history in Construction contracting. See Charbonneau Report- 2011. (Not my words- it is the findings from Quebec's own Judicial inquiry). Their findings: Collusion at every level of Government, with Trade Unions and bid rigging with Construction companies and politicians. Today nothing has changed, and this system continues. (Again- not my own words- simply read their newspapers). Some local news reports have stated maybe 5% has changed in Quebec since this Report was first made public- now 10 years later - almost nothing has changed.
- Ontario provides a stable, ethical, and thriving open marketplace to do business in.

The US has recognized this issue, and they too have become more protectionist. "Buy American" is what their politicians preach to their citizens. I suspect the US will continue with this theme- only putting more pressure on Quebec Trades by shutting out Quebec contractors and manufacturers, who will then be forced to work even more in Ontario in the future to make up lost US business. So, this problem will only get bigger and worse.

What I believe we need to do is reintroduce this “Fairness is a Two Street” Legislation- then called Bill 80- through COCA- with everyone’s support, we can also improve it or create a new Act- build roadblocks as they (Quebec) are doing to us- to stop them from working in Ontario. The reality is that we have seen the Toronto Pearson Airport infield steel contract go to a Quebec Fabricator (85 Million then- 12 years ago) and the 5000 seat Niagara Casino Entertainment Centre (4500 Tons- 35 Million last year) = that is \$ 120 Million in lost revenue to Ontario- for only 2 projects I am using in my example! We probably lose 5 times this every year- that’s just steel. How about all of the other trades in Ontario. The results are staggering. From polling our own OSSFA members with a survey back in 2019- we lose about 15- 20% of the mid-size and larger scale Construction projects in Ontario to Quebec steel fabricators. We know that other Trades in Ontario are also being affected by this. Once this happens all the work and materials are purchased in Quebec, its manufactured there and only just shipped here. Sometimes they work with local Ontario Unions- but many times even the onsite labour is done by Quebec Trades! Most of this money leaves Ontario and goes back to Quebec. Result to Ontario- lost tax dollars and lost construction and manufacturing Jobs!

But there is one more reality, and this hurts the most. It’s our bottom line. Most trades today are typically working at a 10-15 % margin. The same 10-15% advantage Quebec has over us. Often what happens is the GC wants my members (Ontario steel fabricators) to match or get close to the magic Quebec number to win the job! So often we still win the Job because it’s easier and preferred for a GC to work with a local Ontario Trade- but we are then forced to match Quebec’s lower rates-(break even scenario)... They may only take 15-20% of the mid-sized or larger projects today in Ontario- but they influence the final price on at least 35% of the work in Ontario. They bid everything they can. Ontario GC’s use the subsidized Quebec numbers to grind us down. Not Fair to Ontario Trades.

For Ontario’s Construction Trades to work in Quebec you need a lot of paperwork. Paperwork that takes weeks and months to apply and receive. Sometimes your application just sits in limbo. Then trade equivalency testing. It goes on and on.. Just more Roadblocks to keep us out. No other Province operates like this in Canada. They want it all- on their terms. To add even more to this.. when an Ontario Contractor does go to Quebec to work- they are often handcuffed with frivolous Union dues/less manpower/no choices/ higher fees, to make it more difficult to complete the project. Basically, from many stories shared with me by various trades and Contractors. If you go to Quebec you go once- they want you to fail, you learn the hard way (they make your life miserable- you see the corruption, you realize you cannot do anything about it) you lose money, you retreat back to Ontario- you lick your wounds and you tell yourself.. I will never ever go back to work in Quebec again.

All of this was also confirmed in the Charbonneau Report as I have mentioned. The corruption was then and is still today the greatest hurdle to working in Quebec. Quite frankly most of our members do not even want to go and work there. They just want all Ontario Projects, including Provincially funded- Ontario Construction projects- to be built with local skilled- Ontario trades. We want to be the ones building Ontario, to support our Ontario Unions and our Local Contractors and thus be able to pay our provincial taxes to keep our local communities healthy and our Province well-funded and thriving.

Our MPP’s- and our Provincial Government must understand that we cannot remain a healthy province if our money and jobs keep leaving Ontario. We need to protect our local turf as Quebec and the US has shown us. Our present government under Premier Ford’s leadership has stated many times they want to protect Ontario Jobs and cut red tape. It’s time we demanded a fair approach. We need to challenge our politicians to protect us and keep Ontario Construction strong and growing and healthy for the next generation...

SUBMISSIONS APPROVED AT BOARD MEETING

At its meeting on the morning of February 25, 2021, COCA's newly elected Board of Directors approved the following submissions:

- A letter to Prime Minister Trudeau encouraging him to oppose the shutdown of Enbridge Line 5.
- A Pre-Budget Submission to the Minister of Finance
- A letter to Minister McNaughton objecting to Bill 238.
- A letter of support for BuildForce's application for the renewal of funding for its labour market information (LMI) studies

TIME TO MEET WITH YOUR MPPS



MPPs will take a break from their legislative duties during the following weeks:

- The week of Monday, March 15, 2021
- The week of Monday, April 5, 2021
- The week of Monday, May 24, 2021

The Legislature is scheduled to adjourn for its summer break on Thursday, June 3, 2021 and is scheduled to reconvene on Monday, September 13, 2021.

MPPs generally spend these break times in their ridings meeting with constituents and attending community events. The breaks are great opportunities for you to arrange for meetings with a small delegation of your association's members and your provincial representatives.

Among the provincial issues you might discuss are the following:

- Relief for contractors from unanticipated costs associated with the pandemic including the costs of PPE, sanitization, demobilization/remobilization, lost productivity
- Keep the pipeline of investments in public infrastructure projects rolling out
- Work with stakeholders to create a modern and effective skilled trades and apprenticeship system

See COCA's pre-budget submission for more information on these issues:

<https://www.coca.on.ca/wp-content/uploads/2021/02/COCA-2021-Pre-Budget-Submission.pdf>

MAINSTREET POLL SHOWS TORIES IN THE LEAD

A telephone poll of 1,011 adults conducted in mid-February by Mainstreet Research revealed the following results:

If an election was held at the time the poll was taken, 43% would vote for Doug Ford and the Ontario PCs, 25% would vote for Steven Del Duca and the Liberals, 22% would vote for Andrea Horwath and the NDP and 7% would vote for Mike Schreiner and the Greens

- The PCs, Libs and Greens enjoyed increases in support from the June 2018 election, all at the expense of the NDP whose support is down by about one-third
- 46% of respondents approved of Ford's handling of the pandemic, 33% said he struck the wrong balance between public health and keeping the economy functioning in favour of business and 21% objected to Ford's too stringent lockdowns
- only 17% of respondents believed that Andrea Horwath has been an effective leader and surprisingly 24% said they were not even familiar with her. (Horwath has been an MPP since May, 2004, NDP Leader since March 2009 and Leader of the Opposition since June 2018)

The next Ontario general election is still more than a year away (June 2, 2022) and much can happen between now and then. But this polling has to be a worry for the NDP (should they start thinking about a leadership shake-up?) and provide a glimmer of hope to the Liberals who don't even enjoy official party status. However, if Premier Ford can continue to muddle through the pandemic in his likeable folksy style and strike a reasonable balance between measures to control the virus and steps to keep the economy functioning, re-election appears to be within reach.

GOVERNMENT BILL WILL INCREASE POLITICAL DONATIONS LIMITS

Attorney General Doug Downey introduced Bill 254, Protecting Ontario Elections Act, 2021 which if passed, will put more money from individuals donations back into Ontario politics. If passed, the Bill would do the following:

- Double the amount an individual can donate to candidates, constituency associations, leadership contestants and political parties to \$3,300 per year amount.
- Shorten the time period that a political fundraiser must be advertised publicly online in advance from seven to three days
- Eliminate the per-vote subsidy that political parties receive from the public treasury effective December 31, 2024
- Increase that subsidy from \$1.81 to \$2.54 per vote annually. That works out to about \$5.9 million annually for the PCs; \$4.9 million for the NDP; \$2.9 million for the Liberals; and \$672,000 for the Greens.
- Allow Independent MPPs to raise funds outside of the writ period
- Limiting the amount of money that can be spent by third party organizations
- Ensure that third party organizations operate independent of political parties and do not coordinate their messaging with political parties