



Leonard Day

International Representative
GPMC Delegate

Steven Satter

International Representative
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Dear Brothers and Sisters:

They say in life that things come full circle and that adage is true for the Alberta maintenance industry. Five years ago, the Members of the GPMC/NMC communicated to you that the current climate within the contract maintenance industry was not great and that significant changes had to be made to survive, and we did. Well, we hate to be the bearer of bad news, but the current situation in our industry again is not great. Our union halls are currently dispatching thousands of members to some of the province's major turnarounds and even though things appear to be busy today, our organizations continue to face several issues and challenges that need to be addressed to ensure our ability to provide employment opportunities for our members.

The current economic climate in Alberta continues to be unpredictable and worrisome as the influx of economic investment continues to be minimal. Buildforce Canada's research and statistics indicate that growth within the province will remain relatively flat for the next three to five years; there are no multi-billion-dollar industrial projects on the near horizon. There will be some new infrastructure projects (which may or may not be executed by our contractors), some pipeline work and some sustaining capital work within the petrochemical industry, however, the overall provincial industrial outlook is not great. This is not good news and things today look strikingly similar to the predicament we faced in 2016 and the downturn in the industrial construction market means there are fewer projects to bid which leads to increased competition within the maintenance industry. We rallied and survived then and we will rally and survive this time too.

Today, decisions within our industry are being driven by cost as Clients continue to look for "cost effective" ways to execute their maintenance work and most are willing to bring in new service providers if necessary. Our signatory employers recently lost two substantial long-term maintenance contracts: 1) TAMS- Suncor Firebag was lost to AECOM (a contract we held for 14+ years) and 2) Worley- Shell Scotford (a contract we held for 60+ years). These cancelled contracts used to provide long-term employment for hundreds of members of the Alberta Local Unions and also provided hundreds of short-term jobs during turnarounds. It is our understanding that the respective Clients were pleased with the skills, performance, productivity, and capabilities of our members, but unfortunately our contractors were not in position to compete with the financial package offered by our competition- our competition's price was substantially lower for the same service. Decisions will continue to be driven from a financial standpoint and it is important

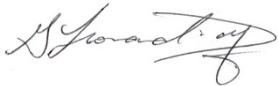
for us to have a competitive collective agreement which provides our signatory employers with the necessary tools to maintain existing contracts and to assist with the pursuit of new maintenance contracts.

Your Committee Members have been in discussions with the contractors for several months now and we anticipate making changes to our collective agreements and transforming how we operate within the maintenance industry. Changes are required to improve our competitive position within our industry and necessary to prevent the loss of any future job opportunities for our members. Failure to make any alterations would undoubtedly lead to the slow and systematic death of the unionized contract maintenance industry in Alberta, and we are not going to let this happen. Failure is not an option and your Committee Representatives continue to work for you.

I will provide further updates when available.

Best Regards

International Representatives



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