



UNION OPPOSED TO POWER SALES – SUPPORTIVE OF KMP

On Friday September 11th, 2009 the Union Executive held a strategy session in order to address specific challenges facing the Union. As a result of members' questions and the ongoing debacle at city council, one of the topics on the agenda was the Union's position on power sales and the Kitimat Modernization Project (KMP).

On Monday, July 27th City Council passed a motion which reads:

THAT the Council of the District of Kitimat opposes power sales that threaten the modernization of the aluminum smelter and that Council opposes further increases to the capacity of the existing power line between Kitimat and Terrace.

The motion was moved by Councillor Gottschling and seconded by Councillor Corless.

The leadership of your Union believes that the above motion is too short-sighted in that its stance against power sales is limited to the capacity of KMP only, does not anticipate increased power generation from Kemano and fails to recognize the possibility of increased power requirements for future economic development in the Kitimat area.

Now, it has been stated that the power requirements for pending industrial projects in the region are below the current maximum capacity of the Kitimat-Terrace transmission line; nevertheless, there may be a need to increase this capacity to support economic development projects, and the jobs which will accompany such endeavors, in the future. This will ultimately require the passing of additional motions or the amendment of existing ones. To the Union, such vacillation is untenable and irresponsible. The Union's position on power sales is clear, unwavering and will stand the test of time. In fact, in 2006 at the 8th CAW Constitutional Convention the following resolution, submitted by Local 2301, was unanimously adopted:

The Granting of Water Rights and Sale of Excess Power

WHEREAS former governments built or encouraged to be build hydro-electric capacity on British Columbia's rivers in order to encourage industrial or community use of the power produced primarily in the region of its production; and

WHEREAS Corporations like Teck Cominco and Alcan own hydroelectricity dams on our rivers and the provincial government issues these Corporations water licenses to store and use a natural resource that belongs to the citizens of BC to produce electric power; and

WHEREAS the water licenses granted were precisely for the intent of providing electricity to create jobs in BC; and

WHEREAS these Corporations are, during periods of high power prices, cutting production, laying off employees or are forcing them to take vacations, or are using profits from power exports to prolong strikes; and

WHEREAS the water and rivers belong to the citizens of this province and these water rights were granted in order to create jobs in this province and not for corporate windfall profits at the expense of workers and communities;

THEREFORE BE IT RESOLVED that the CAW use whatever means possible to have the Provincial Government change the conditions under which these water licenses are issued and that the water licenses be tied to full production at the BC operations of these Corporations; and **BE IT FURTHER RESOLVED** that if these Corporations are not at full capacity that the CAW insist that the Government of BC demand that any excess power as a result of the Corporation not being at full capacity be turned over to the citizens of the province; and

BE IT FINALLY RESOLVED that should the CAW not be successful in making these changes they commit to removing water licenses from those companies who are in contravention of the intent of the water license.

Water is a public resource and the responsible stewardship of that resource requires the government to manage it in a fashion that benefits the citizens of the province. First and foremost, this should mean job creation. The decision by Judge Brenner in March 2007 which established that Alcan, as it then was, had the unfettered right to sell power and that it was not required to maintain any production levels at its smelter does not preclude the Union from continuing to lobby the government to ensure that corporations use public resources in a manner which truly benefits the citizens of British Columbia. This includes, but is not limited to, the government's management of water licenses.

In a nutshell, the Union's unequivocal position on power sales is corporate access to public resources must result in jobs to the **full extent** of what that access can generate. To the Union, this is not a matter of opposing power sales "all over again". Rather, it is a reaffirmation of its steadfast and continuing position. The Union will continue to demand governments to act responsibly and in the interests of our communities.

In the fall of 2006 the Membership overwhelmingly supported the motion that the Union begin negotiating a contract which would see KMP to its conclusion. Unfortunately, the economic downturn, the cost of which has as a result of greed and egregious mismanagement fallen on the backs of workers, has put KMP on hold. The possibility of this unfortunate turn of events was recognized as a condition which could delay the project and was captured in the "Terms of Reference" signed by the company and the Union prior to entering negotiations:

"9. Certain circumstances beyond the Company's control may cause a delay, curtailment or discontinuance of the Modernization Project (i.e. tunnel collapse, power interruption, transmission failure, terrorism act, **catastrophic collapse of the aluminum industry, and/or the London Metals Exchange (LME)**, government or environmental legislated change)."

The Union supports, and will continue to support, KMP as a **minimum** utilization of public resources. There is no need for the Union to come forward and once more promulgate its support for KMP, as some members of the community has asked it to do; there is no need to join the shameful fray at City Council. The Membership of this Union **were the first to support KMP** by signing a five-year collective agreement in 2007. The Union will continue to fight for the interests of all workers, their families and the communities we live in.

Fighting Back Makes a Difference!!!