



General Presidents' Maintenance Committee for Canada
LEADERS IN UNIONIZED MAINTENANCE

December 10, 2017

Dear Brothers and Sisters:

As 2017 comes to a close I wanted to take this opportunity to say thank you to each of you once again for your hard work throughout the year as we strive to continue to show our Clients that we are the best available workforce within a highly competitive market. Your efforts have not gone unnoticed and thank you for what you bring to the table. A year has passed since my initial communication to the members of the local unions and during that communication I outlined the current state of affairs in Alberta and the changing dynamics of our industry. You were informed that our industry had changed dramatically, that competition had increased and that changes to our collective agreements were necessary in order to protect ourselves for the long term.

The Committee recently held its second State of the Industry meeting with our contracting partners and local union leadership in Edmonton on November 8/17 and the condition of the petro-chemical industry in Alberta has not improved and uncertainty continues to exist. Contract decisions continue to be driven primarily by costs and many of the decisions are being made by supply chain management personnel or contracts administration individuals who have little or no interaction with the contractor representatives or the workers on site. Cost continues to be king and this is not going to change anytime soon.

All current market intelligence indicates that economic downturn continues and things in Alberta will not be improving anytime soon. We are hearing that investment in Oil sands development (and the petro-chemical industry) will continue to move at a much slower pace than what we have become accustomed to. There are no mega projects planned for the immediate future and we have to remember that Alberta has come off of some fifteen years of unprecedented growth which saw nothing but increase after increase after increase within the construction and maintenance industries. The "glory" days are over and moving forward construction will be minimal at best; maintenance is going to be what puts our members to work. We must do the right things to ensure that we are in a competitive position in the maintenance market.

Looking forward, the General Presidents' Maintenance Committee for Canada and its contracting partners have discussed the pending expiration of the Alberta GPMA's and the Extraordinary Measures Memorandum of Understanding on December 31, 2017. Upon review of the current and future economics of our industry, and to ensure that we are positioned for success we have agreed that now is not the time to be making any drastic changes to our GPMA collective agreements. We are still operating in an environment which is highly sensitive to costs, highly competitive and an environment which is currently unstable. We must continue to bring predictability and stability to the market for our clients and we have decided to extend the Extraordinary Measures Memorandum of Understanding covering the Alberta GPMA collective agreements to expire in conjunction with the Alberta National Maintenance Agreements on December 31, 2019. As well, in order to ensure harmony between the GPMA and NMA collective agreements we will be amending the shift premium portion of the GPMA to align with the amounts currently being paid under the NMA (effective February 5, 2018).



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The updated documents will be posted on our website www.gpmccanada.com shortly.

Regards,

A handwritten signature in blue ink, appearing to read 'Brett McKenzie'. The signature is stylized and includes a long horizontal stroke extending to the right.

Brett McKenzie
Executive Director