

February 13, 2014

The Honourable Yasir Naqvi, MPP
Minister of Labour
400 University Avenue, 14th Floor
Toronto ON M7A 1T7

Re: Reforming Ontario's Broken Interest Arbitration System

Dear Minister Naqvi,

On behalf of the Ontario Chamber of Commerce and its network of 160 local chambers of commerce and boards of trade, we are writing to express concern over the impact that the province's interest arbitration system is having on Ontario's competitiveness.

As you are aware, interest arbitration is the only legal mechanism available to municipalities to settle contract negotiation disputes with essential municipal workers such as police officers, firefighters, and some paramedics.

Partly as a result of interest arbitration, emergency service costs are growing much more quickly than the Consumer Price Index, and faster than the average growth rate of other public sector workers' wages, including nurses and teachers. As a result of the costly contract settlements created by the current interest arbitration system, there is significant pressure on municipalities to raise taxes and/or reduce services to compensate.

Competitive tax rates and quality public services are key to economic development and prosperity in our communities. The current interest arbitration model is hurting municipalities' economic competitiveness, and ultimately the competitiveness of the province.

We recommend that the following changes be made to the interest arbitration system:

- streamline the process by adopting the single arbitrator model for all hearings, imposing limits on pre-hearing processes and post-hearing submissions and mandating a maximum period of one year (from the start of the process to its completion) for arbitrators to complete their work;
- arbitrators should be provided with clear, measurable criteria upon which to base their decisions, particularly regarding the "fiscal health" of the community;
- arbitrators should be required to provide a written explanation of their decisions, with clear assessments of the mandated criteria for arbitration, and must give priority to how the "fiscal health" of a community was considered when making a decision; and
- the "ability to pay" criteria used in interest arbitration decisions should be broadened to include the wider economic and fiscal environment, and productivity criteria (as recommended by the Commission on the Reform of Ontario's Public Services).

We are increasingly worried about the negative impact of unsustainable increases in emergency services labour costs on Ontario's municipalities and the broader Ontario economy. As a demonstration of the importance of interest arbitration reform to Ontario businesses and municipalities from across the province, 30 chamber executives have signed on to this letter.

We would be pleased to organize a meeting between you and a small group of representatives of the chamber network to further discuss these ideas and how the current interest arbitration framework is impacting our communities.

If you have questions or comments and would like to arrange a meeting, please do not hesitate to contact Josh Hjartarson, Vice President, Policy & Government Relations at 416-482-5222 ext. 2320 or joshhjartarson@occ.on.ca.

Thank you,



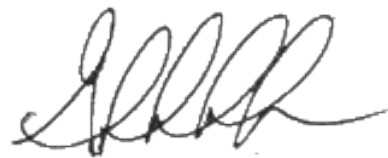
Jim DiNovo
Brantford-Brant Chamber of Commerce



Anne MacDonald
Brockville and District Chamber of Commerce



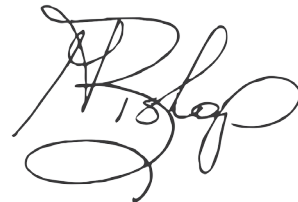
Keith Hoey
Burlington Chamber of Commerce



Greg Durocher
Cambridge Chamber of Commerce



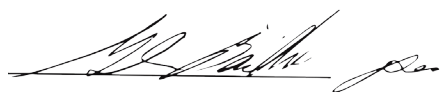
Roberta Scarrow
Centre Wellington Chamber of Commerce



Gail Bishop
Chatham-Kent Chamber of Commerce



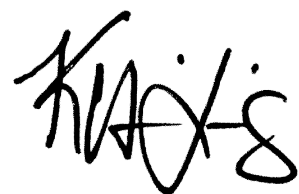
Kevin Hargreaves
Cornwall & Area Chamber of Commerce



Glen Baillie
Grand Bend & Area Chamber of Commerce



Kathleen Dills
Halton Hills Chamber of Commerce



Keanin Loomis
Hamilton Chamber of Commerce



Ann Campbell
Ingersoll District Chamber of Commerce



Matt Hutcheon
Greater Kingston Chamber of Commerce

Gerry Macartney
London Chamber of Commerce

Richard Cunningham
Markham Board of Trade

Debra Scott
Newmarket Chamber of Commerce

Walter Sendzik
Greater Niagara Chamber of Commerce

John Sawyer
Oakville Chamber of Commerce

Allan O'Dette
Ontario Chamber of Commerce

Bob Malcolmson
Greater Oshawa Chamber of Commerce

Bert Loopstra
Owen Sound & District Chamber of Commerce

Jill Campbell
Perth & District Chamber of Commerce

Suzanne Andrews
Quinte West Chamber of Commerce

Rory Ring
Sarnia Lambton Chamber of Commerce

Mark Barsanti
Sault Ste. Marie Chamber of Commerce

Julie Curran
Scugog Chamber of Commerce

Bob Hammersley
St. Thomas & District Chamber of Commerce

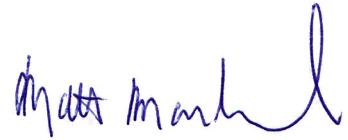
Debbi Nicholson
Greater Sudbury Chamber of Commerce



Charla Robinson
Thunder Bay Chamber of Commerce



Phil Barton
Timmins Chamber of Commerce



Matt Marchand
Windsor-Essex Regional Chamber of Commerce



Martha Dennis
Woodstock District Chamber of Commerce

cc. The Honourable Kathleen Wynne, Premier of Ontario
Pat Vanini, Executive Director, Association of Municipalities of Ontario