



November 30, 2011

Mr. Dana LeBlanc, President, Michelin North America (Canada) Inc.

**SPEAKING POINTS, FIRST CONTRACT ARBITRATION, Law Amendments
Committee**

Good evening. My name is Dana LeBlanc, and I am the President of Michelin North America (Canada) Inc. and Michelin's Canadian Director of Personnel.

Thank you for the opportunity for Michelin to speak on Bill 102 and First Contract Arbitration.

I trust that all members of this Committee are familiar with Michelin and its operations here in Nova Scotia. I would like to make a few introductory points on our history here within the province:

- Michelin began its Canadian operations in Nova Scotia in 1969, and commenced manufacturing in Nova Scotia in the early 1970's. We operate three manufacturing facilities in Nova Scotia and employ over 3,500 Nova Scotians.
- Michelin's three plants are located in rural Nova Scotia – Granton, Pictou County; Bridgewater, Lunenburg County; and, Waterville, Kings County.
- In addition, Michelin relies upon hundreds of Nova Scotia businesses (many located in rural Nova Scotia) for needed goods and services.
- Tires produced here in our Nova Scotia plants are sold within the Canadian and North American marketplace--- and a great majority of our product is exported to the United States.

- In North America, Michelin operates 18 manufacturing plants and each plant competes internally for ongoing investments,-- where each investment decision is based on a large number of factors including stability of labour legislation.
- And, globally, Michelin is recognized as the leading innovator in the tire industry, and is a top selling tire brand worldwide.

We are opposed to First Contract Arbitration for a number of reasons:

1. Most importantly, an employer needs to be able to say "no" to any proposal it cannot afford. The present law permits that. Michelin needs that to protect our present and any future assets. *No law can artificially change the reality that an employer cannot pay more than it can afford.*

2. Second, First Contract Arbitration is a well known union organizing tool to help organizers down play or distort the realities of collective bargaining for employees. One only has to look at the difficulties facing other businesses in Nova Scotia, especially those in the pulp and paper industry to realize that there can be harsh realities associated with collective bargaining.

3. Third, the Minister of Labour has acknowledged that Nova Scotia enjoys "a harmonious labour environment" and there is nothing which has "triggered" the need for first contract arbitration. So we are left questioning why has this bill been introduced at this time of economic uncertainty?

In the Minister of Labour's November 24th letter to the Chronicle Herald, Minister More suggested first contract arbitration is "very attractive to people wanting to invest or expand their business in Nova Scotia",--- Mr. Chairman, nothing could be farther from the truth.

Michelin has been here investing and creating jobs in Nova Scotia for over forty years.

First contract arbitration subjects an employer's assets to a serious risk to which they are not subject today -- the risk of someone else who knows nothing about the business **deciding** all employment terms for their business. This will do nothing to create jobs or grow the economy, and in fact the consequences might very well be the opposite.

I want to be very clear on Michelin's position. If we were unionized and after bargaining in good faith, we were unable to reach a satisfactory contract, we do not want any third party who knows nothing about our business deciding our employment terms and risk subjecting us to costs we **cannot** afford. That would leave us very few options. We do not believe that this Bill is in the best interests of Michelin, its employees or the Province. The present law still permits options for everyone.

The introduction of Bill 102 actually goes beyond and is more serious than just First Contract Arbitration. We have always said that stability of labour legislation is very important to Michelin. This is the second time that this government has introduced changes to the Trade Union Act which are negative to non-union employers. Instead of stability in labour legislation, we seem to be facing increasing uncertainty in the business environment in Nova Scotia.

In conclusion, let me be very clear that this Bill and the increasing uncertainty do not help Michelin Canada present Nova Scotia as a better place to invest.

Thank you.

Dana LeBlanc
President, Michelin North America (Canada) Inc.