

February 12th, 2007

The Right Honourable Stephen Harper
Prime Minister of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Prime Minister Harper:

We are writing to you in advance of the resumption of legal proceedings against the Government of Canada regarding *Bill C-78 (Public Sector Pension Investment Board Act)* which are scheduled to begin before the Ontario Superior Court of Justice in Ottawa on February 26, 2007.

The exact dates of the hearings are as follows:

Presentation of Evidence and Expert Testimony:

February 26 to March 2
March 5 to March 9
March 19 to March 23
March 26 to March 30
April 2 to April 5
April 10 to April 13

Final Arguments:

April 30 to May 4
May 7 to May 11
May 14 to May 18

Bill C-78 received Royal Assent on September 14th, 1999 and allowed the Federal Government to appropriate an estimated \$30.2 billion from the superannuation accounts of the 670,000 active contributors and retirees subject to the *Public Service Superannuation Act (PSSA)*, the *Canadian Armed Forces Superannuation Act (CFSA)* and the *RCMP Superannuation Act (RCMPSA)*. The legislation was rushed through the House of Commons with the Federal Government resorting to the use of time allocation on several different occasions.

On May 25th, 1999 during the vote on third reading of *Bill C-78* in the House of Commons the following members of your current Cabinet and party caucus voted against this legislation:

The Honourable Monte Solberg (Medicine Hat), Minister of Human Resources and Social Development

The Honourable Charles (Chuck) Strahl (Chilliwack-Fraser Canyon), Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board

The Honourable Gary Lunn (Saanich-Gulf Islands), Minister of Natural Resources

The Honourable Peter Gordon MacKay (Central Nova), Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency

The Honourable Jay D. Hill (Prince George-Peace River), Secretary of State and Chief Government Whip

The Honourable Jason Kenney (Calgary Southeast), Secretary of State (Multiculturalism and Canadian Identity)

The Honourable Gerry Ritz (Battlefords-Lloydminster), Secretary of State (Small Business and Tourism)

Jim Abbott (Kootenay-Columbia)

Diane Ablonczy (Calgary-Nose Hill)

Rob Anders (Calgary West)

Leon Benoit (Vegreville-Wainwright)

Garry Breitkreuz (Yorkton-Melville)

William Casey (Cumberland-Colchester-Musquodoboit Valley)

Rick Casson (Lethbridge)

John Cummins (Delta-Richmond East)

Ken Epp (Edmonton-Sherwood Park)

Peter Goldring (Edmonton East)

Art Hangar (Calgary Northeast)

Richard Harris (Cariboo-Prince George)

Rahim Jaffer (Edmonton-Strathcona)

Inky Mark (Dauphin-Swan River-Marquette)

Maurice Vellacott (Saskatoon-Wanuskewin)

John Williams (Edmonton-St. Albert)

The Honourable Marjory LeBreton, Leader of the Government in the Senate and Secretary of State (Seniors) also voted against *Bill C-78* during third reading in the Senate on September 14th, 1999.

We would invite you to review the relevant extracts from *Hansard* which record the fervent opposition and criticisms conveyed by your cabinet and caucus colleagues during the debates and committee hearings on *Bill C-78* in both the House of Commons and the Senate. For example, we refer to the following

comments by your current Minister of Natural Resources, the Honourable Gary Lunn, delivered in the House of Commons on May 11th, 1999 during the report stage of *Bill C-78* as cited in *Hansard*:

"Mr. Speaker, we are debating Bill C-78, the public service pension plan raid. At least that is what I would suggest the title should be.

As we have heard from many of the people who have spoken on this bill, what it all boils down to is the government getting its sticky fingers on \$30 billion of private pension funds.

The money that the government insists on putting its sticky fingers on is being taken from the Canadian people who paid into this fund. Let us look at who it is taking this money from. It is taking \$14.9 billion from the public service plan..."

We couldn't have said it better ourselves!!

At a most basic and fundamental level, we think you will agree that *Bill C-78* is patently unfair and unreasonable. As plaintiffs in the current legal proceedings our position is that this legislation represents a fundamental breach of the federal government's fiduciary obligations towards current and retired federal public service employees who contributed to the various superannuation accounts with the expectation that these funds would be utilized solely for the purposes of providing pension benefits. Furthermore, we argue that as the superannuation plans are included in the terms and conditions of employment of federal public service employees, *Bill C-78* constitutes an abrogation of contractual responsibilities by the Federal Government. We are extremely confident that the facts of this case and existing legal jurisprudence will eventually result in a court decision in our favour. We have also unqualified support for our efforts from the members of our organizations.

During the 2006 election campaign, the Conservative Party stated on the record that "A Conservative government will review the matter". This was further reinforced by Treasury Board President John Baird in February 2006.

Since the last federal election on January 23rd, 2006, we have observed your government successfully intervene in a number of high profile disputes involving Canadians who were the victims of tainted blood products, residential schools, discriminatory tax levies and unfounded terrorism allegations. Yet, over the same time period, your government has remained silent and not taken any initiatives to correct the serious consequences for our members and their families arising from *Bill C-78*.

We anticipate intense and continuous media coverage of the *Bill C-78* trial deliberations, particularly in the National Capital Region. As a consequence, we

would strongly encourage your government to intervene in this matter and spare the Canadian public any further expense and acrimony of long and protracted legal proceedings. We think you would agree that the interests of all parties would be better served in this manner.

We thank you, in advance, for your consideration of this most important issue. Should you have any questions or concerns regarding any of the foregoing, please do not hesitate to have one of your officials contact the current representative for our organization.

On behalf of the
Federal Public Service Bargaining Agent Representatives, and the
Federal Superannuates National Association

John Gordon
National President
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Michèle Demers
President
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Dennis Jackson
National President
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Ron Cochrane
Executive Director
The Professional Association of
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c.c. All Conservative Party Members of Parliament
Gilles Duceppe, Party Leader, Bloc Québécois
The Honourable Jack Layton, Party Leader, New Democratic Party

Association of Canadian Financial Officers, Canadian Air Traffic Control Association (CAW Local 5454), Canadian Association of Professional Employees, Canadian Auto Workers (Local 2182), Canadian Federal Pilots Association, Canadian Merchant Service Guild, Canadian Military Colleges Faculty Association, Communications, Energy and Paperworkers Union of Canada, Federal Dockyard Chargehands Association, Federal Government Dockyard Trades and Labour Council (East), Federal Government Dockyard Trades and Labour Council (West), Federal Superannuates National Association, International Brotherhood of Electrical Workers (Local 2228), Professional Association of Foreign Service Officers, Professional Institute of the Public Service of Canada, Public Service Alliance of Canada, Research Council Employees' Association, Union of Canadian Correctional Officers - Syndicat des agents correctionnels du Canada – CSN