

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**CANWEST MEDIAWORKS INC.**

**Applicant**

- and -

**ATTORNEY GENERAL OF CANADA**

**Respondent**

**AFFIDAVIT OF BRIAN PAYNE**

(sworn July 2, 2006)

*Accepted*

I, **BRIAN PAYNE**, of the City of Ottawa, in the Province of Ontario, **AFFIRM THAT:**

1. I am the National President of the Communications, Energy & Paperworkers Union of Canada (hereafter referred to as "CEP") and as such, I have personal knowledge of the facts to which I hereinafter depose.
2. CEP is one of Canada's largest unions, and represents more than 150,000 workers, including those employed at pulp and paper mills, telephone companies, and in the oil, gas, chemical and mining industries. Our membership also includes printers, journalists, radio and TV broadcasters, graphic artists, hotel workers, computer programmers, truck drivers and nurses.

**CEP's Commitment to Medicare**

3. In addition to working to improve the terms and conditions of employment of our members through collective bargaining, CEP also advocates for progressive legal and policy reforms that will benefit all in society, such as strengthening Canada's publicly funded health care system.

4. Because of the critical importance of ensuring that all Canadians have access to health care, CEP has undertaken one of the largest initiatives in its 10-year history to bring to the attention of our members, and employers, the crucial issues facing Canada's healthcare system. During this period, CEP has devoted about \$400,000 toward educating our members and the wider public about the need to not only protect, but expand, our publicly funded health care system.
5. CEP believes, based on our own research and that of others, that privatized healthcare would neither be in the interests of our members nor of their employers. The U.S. experience which we have studied suggests that private care would be of lower quality and more expensive, ultimately leading to increased costs for employers and reduced competitiveness for the Canadian economy generally.

#### **The Problem of Ensuring Adequate Drug Benefit Insurance Coverage**


6. A key element of any collective agreement we negotiate is the provision to our members of the benefits of private health insurance for services not covered by medicare, such as dental care and prescription drugs.
7. Unfortunately, over recent years the cost of such benefits has risen sharply. In 2003, for example, private insurance premiums rose by 16.6%, and the cost is expected to double every 5 years.
8. A key reason for these increases has to do with the cost of insurance for prescription drugs, which typically represents over two-thirds of the cost of the benefit plan. These costs are rising because both drug use and drug costs are rising. Both cost pressures are related to the promotional activities of the pharmaceutical industry, including direct to consumer advertising.
9. To ease these cost pressures, many employers are now proposing that workers either pay more for existing benefits, or settle for fewer benefits. Because these private insurance

plans represent such an important benefit for our members, these pressures have become key stumbling blocks during collective bargaining.

10. In fact, this problem has become so intractable that it has been an important cause of several recent strikes, including the following:
  - Local 333.15 – 120 workers at Wood Wyant (Cascades), Pickering, Ontario were on strike for 2 months in spring 2003, refusing a system of co-payments and caps for health benefits.
  - Local 789 – 300 workers at Domtar, Vancouver, were on strike for 2 1/2 months early 2004, the major issue being the rejection of cost-sharing concessions on health benefits.
  - Locals 401, 410, 506 – Aliant, Atlantic provinces, 3,200 Aliant workers on strike for 4 months to August 2004, one issue being drug benefits, and obtained a cap on annual costs for workers of \$400.
  - Local 1129 – 100 workers continue their strike against Norampac in B.C., begun in April 2004, in part a struggle against employer demands to increase worker contributions to health benefits. (See separate sheet)
11. I know from our own research, and from discussions with fellow officers in other unions, that the problems CEP is encountering in trying to secure adequate health benefits for our members are endemic to collective bargaining right across the public and private sectors.
12. In order to deal with this problem in a systemic way, our Union and others have worked with the Canadian Health Coalition to propose an expansion of the public health care system to include universal coverage for necessary prescription drugs. Much of the research and analytical work that informed this initiative was undertaken by the CEP research department. I understand that a copy of our collective proposal: *More for Less, A National Pharmacare Strategy*, is attached to the affidavit of Mike McBane, the National Coordinator of the Canadian Health Coalition, which Affidavit has been sworn and will be filed in this matter. Attached this affidavit as Exhibit "A" is my letter and a fact sheet concerning this initiative which was sent to all CEP locals.

13. A key component of our proposal calls for a tightening and better enforcement of current controls on the promotional activities of the drug companies including direct to consumer advertising. Conversely, any relaxation of existing controls will only increase costs and further exacerbate current problems of negotiating adequate health care insurance coverage for our members.
14. For these reasons, CEP has a genuine and substantial interest in the outcome of this case and seeks to intervene in order to assist the Court with respect to issues concerning the impact of increasing drug use and costs on labour management relations.
15. I make this affidavit in support of an application to intervene in this case and for no other or improper purpose.

AFFIRMED BEFORE ME at the City  
of Ottawa, in the Province of Ontario  
on August 2, 2006.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

  
\_\_\_\_\_  
BRIAN PAYNE