



Astaldi workers will get paid, premier says, after company fails to meet payroll at Muskrat Falls megaproject



Employees owed for work completed since Oct. 14

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The Muskrat Falls spillway went into operation in August 2016. The spillway was part of the contract awarded to Astaldi Canada for work on the Labrador hydro megaproject. (Nalcor Energy)

Newfoundland and Labrador Premier Dwight Ball says he guarantees Astaldi workers at the Muskrat Falls construction site who have not been paid will get their wages.

“These wages will be paid.”

- Dwight Ball

Payroll wasn't deposited into workers' accounts Thursday morning, meaning they haven't been compensated for work completed since Oct. 14, according to a news release from Trades NL, which represents 16 building and construction unions in the province.

During Thursday's question period in the House of Assembly, Ball said he's working with Marshall to ensure the hundreds of workers get their earnings.



Premier Dwight Ball stands in the House of Assembly on Thursday. (CBC)


"These wages will be paid. It's important that workers in Newfoundland and Labrador, when they go to work, they will get the paycheque that they so rightfully deserve," said Ball.

"Right now, Nalcor is working at the ways of logistically [how] this could happen, but those workers will get paid."

Ball's comments in the House of Assembly came after Darin King, executive director of Trades NL, requested and had a meeting with Ball, to express his concerns about workers getting paid.

PC Leader Ches Crosbie asked Ball what would happen to contributions made by workers to their health, pension and other benefit plans.

Ball responded that there are ongoing problems and work to be done, but there is nearly \$400 million in bonds and sureties to meet the demands left by the financially struggling Astaldi.



Thursday, October 25, 2018

News Release

Astaldi Workers Not Paid & Building Trades Council Calls for Immediate Meeting with Premier


Trades NL / Resource Development Trades Council (RDTC) is confirming that Astaldi Canada did not meet payroll at the Muskrat Falls project site this week, meaning workers did not get paid for work done, and are calling for an immediate meeting with the Premier and Nalcor's Stan Marshall.

"It is very unfortunate that when workers checked their bank accounts this morning, their payroll was not deposited for any work done since October 14, 2018. Our members are extremely frustrated to be caught into a dispute between their Astaldi Canada and Nalcor, and are looking for answers as to how they are going to receive their wages, health, welfare and pension benefits."

- Darin King, Executive Director, Trades NL

On August 30, 2018 Trades NL / RDTC filed a lien against Astaldi Canada for \$7.8M to cover remittances not paid to workers for their benefits. On October 18, 2018 Nalcor directed Astaldi to stop work at site and leave. The last Trades NL / RDTC employees with Astaldi left the site yesterday.

"Today, we are requesting a meeting with Premier Ball and Nalcor's CEO Stan Marshall in an effort to find an immediate solution. Our contract is with the Muskrat Falls Employers"



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News Release
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7:53 AM - Oct 25, 2018

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In a statement issued Thursday morning, Nalcor CEO Stan Marshall said he is aware that Astaldi has not met payroll, and that it's "a very challenging situation for workers."

"We are currently working on a solution to ensure that workers are paid within the coming days for their work completed since last pay period. We will continue to work with the Resource Development Trades Council and provide updates as the situation progresses."



Stan Marshall, CEO of Nalcor Energy, says the priority is making sure workers get paid what they're owed. (Sherry Vivian/CBC)

Nalcor ordered the financially troubled Italian company off the job site Oct. 18.

"In addition to Astaldi not paying the salaries of its workers, there are numerous liens filed against the Muskrat Falls Project by Astaldi's sub-contractors, suppliers and the RDTCC because Astaldi is not paying its bills," Marshall added.

"This has impacted Astaldi's ability to carry on its work."

Supreme Court victory

The development comes after a Newfoundland and Labrador Supreme Court judge handed Astaldi a procedural legal victory in a complex dispute with Nalcor over the contract for work at Muskrat Falls, the hydroelectric megaproject nearing completion in central Labrador.

Astaldi filed for arbitration last month.

Nalcor issued Astaldi with a notice of default, and argued against arbitration.

Both sides have been in court in recent weeks, making submissions over what should happen next.



Crown-owned Nalcor Energy is working to develop the Muskrat Falls hydro project in Labrador. (CBC)

"The relationship between (Nalcor subsidiary Muskrat Falls Corporation) and Astaldi has been fraught from the beginning, and the factual matrix involving their contractual relationship is complex," Justice James Adams wrote in his decision.

Adams ruled that Nalcor must appoint someone to an arbitration board in the next two weeks.

That board can then at least begin to consider the tangly issues involved, before deciding whether it has jurisdiction to proceed.

Astaldi encouraged by ruling

Astaldi said in an emailed statement on Wednesday that the company is encouraged by the judge's ruling.

"Astaldi remains fully committed to its part in the project's completion, and we enthusiastically welcome a process that will finally bring Nalcor to the table," the company noted.

"We look forward to a chance to demonstrate our claim that Nalcor owes Astaldi and its workers for work completed, and we are eager to share the facts to support this."

Nalcor told CBC News it is reviewing the decision and has not yet made a determination on next steps.

The Crown corporation stressed that the judge's decision "does not mean that the claims put forward will go to arbitration but rather that the arbitration board will determine if they have jurisdiction to hear the claims."

Astaldi says layoffs will begin on Friday

In an email to CBC News, Astaldi said its workers remain in "limbo" because of Nalcor's "unfair eviction" of the company from the site.

Astaldi said it's legally required to begin layoffs Friday.

Of the 500 workers who were ordered to stop work at the site last week, 50 are Innu. Herman Montague is one of them.

"In my opinion, I look at it like I'm unemployed," Montague said during an interview with CBC News in Sheshatshiu.

"Nobody's talking to us. All we're getting is, 'Pack up and go home.'"





Astaldi workers who were sent home from the Muskrat Falls site are now wondering what comes next. Herman Montague — pictured in Sheshatshiu this week — is one of them. (Jacob Barker/CBC)

Montague was at the beginning of his 14-day rotation when the news came down.

For now, Montague is still an Astaldi employee. That leaves him to wonder how he'll provide for his family.

"It's stressful I've got mouths to feed, bills to pay, it's really tough not knowing what's going to happen right now."

The Innu Nation says it has assurances its agreement with Nalcor is protected and will be upheld no matter who completes Astaldi's work.

With files from Rob Antle and Jacob Barker

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