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December X, 2023

Honourable Danielle Smith, Premier of Alberta
Office of the Premier
307 Legislature Building
10800 - 97 Avenue Edmonton, AB T5K 2B6

RE: Urgent Appeal for Fairness and Accountability in the Application of Prompt Payment Legislation

Dear Premier Smith,

We write to you as concerned members of Alberta's construction industry. Collectively, we the undersigned, represent the 220,000 Albertans employed in the construction industry. We are deeply troubled by recent developments regarding exemptions granted under the Prompt Payment for Construction Work Act (PPCLA). Based on our concerns, and what they mean for our members and the industry, we believe that it is imperative that we bring the following concerns to your attention.

The PPCLA, enacted in 2022, was a significant stride towards fostering fairness and transparency in payment practices within our construction industry. Its core principle of ensuring prompt payment within 28 days of receiving proper invoices was a welcome development. However, the recent exemptions granted by the Government of Alberta have raised serious concerns within our community.

We believe that the granting of such exemptions undermines the fundamental principles of fairness and transparency that the PPCLA was designed to uphold. We believe that all stakeholders, irrespective of their size or stature, should be held to the same standards to maintain the integrity of our construction sector. Fundamentally, we believe that granting exemptions to large corporations creates an imbalanced landscape, favouring giants over smaller players.

The erosion of trust and relationships within the construction industry is a matter of paramount concern. Granting exemptions based on the size of an entity sends a damaging message that fairness can be compromised, thereby eroding trust between contractors, subcontractors, and suppliers. This erosion of trust jeopardizes the collaborative nature of our industry, which relies on strong relationships for mutual success.

Moreover, our concerns about potential discouragement of compliance with industry regulations are valid. Granting exemptions to entities that can feasibly adhere to the legislation sets a dangerous precedent, suggesting that compliance is optional for well-established corporations. This not only undermines the very purpose of the legislation but also poses a significant risk to the overall integrity of our industry.

The construction industry's reputation is built on fair and prompt payment practices. Exemptions under the PPCLA risk tarnishing this reputation, leading to disputes, legal battles, and damaged professional

relationships. Timely payments are vital for maintaining healthy business relationships, and exemptions can jeopardize the industry's image.

Considering these concerns, we respectfully urge the Government of Alberta to consider a re-evaluation of any future exemptions granted under the PPCLA. While understanding the complexity of reversing decisions, we believe it is crucial to prevent such exemptions in the future to ensure that the construction industry remains a fair, transparent, and trustworthy environment for all stakeholders.

Furthermore, we repeat our call to the Government of Alberta to extend the application of the PPCLA to government works projects. This step would further demonstrate the commitment to fairness and accountability in all aspects of construction, promoting ethical business practices throughout the industry.

We appreciate your attention to this matter and your ongoing commitment to the prosperity of Alberta. We trust that, Premier, you will carefully consider these concerns and take appropriate action to safeguard the principles of fairness, transparency, and accountability within our construction industry.

Thank you for your time and consideration.

Sincerely,

[Your Full Name] [Your Position, if applicable] [Your Company, if applicable]