



Alberta Construction Association

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January 31, 2017

Premier Rachel Notley
Transmitted via: premier@gov.ab.ca

Dear Premier Notley:

RE: Financial Harm of Carbon Levy on Contractors where Contract was in effect prior to January 1, 2017

A number of Alberta contractors are parties to contracts in effect well before the carbon levy came in to effect January 1, 2017. These contracts involve various municipalities and other public entities which include contractual language to reimburse for a tax increase, where the impact of the tax can be clearly documented. Suppliers and subcontractors are now passing along cost increases as a result of the imposition of the carbon levy, costs that were not possible to estimate at the time of bidding and subsequent contract award. Unfortunately, the rationale given is verbal but is not substantiated in writing. Anecdotal evidence suggests a cost increase on the order of 1-2% can be attributed to the carbon levy.

This situation should not apply to any contracts signed after January 1, 2017, indeed, the association prepared a bulletin in late 2016 advising members to account for the levy in their bidding.

Alberta Construction Association urges the Alberta Government to develop a program to offset these cost impacts. ACA would be pleased to meet to discuss the parameters of such a program. We look forward to your reply on how this problem might be addressed.

Sincerely,

A handwritten signature in blue ink that reads "Paul Heyens".

Paul Heyens
Chairman

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