Dear Mr. Mayor:

I am writing in response to your letter of December 20, 2010, a copy of which was forwarded to me by the Office of the Prime Minister, the Right Honourable Stephen Harper, on January 17, 2011. You wrote to request that Employment Insurance (EI) benefits be provided to locked out employees of U.S. Steel, local 1005. This pertains to file no. C10-026. Please accept my apologies for the delay in replying.

As Minister of Human Resources and Skills Development with responsibility for Service Canada, I assure you that Service Canada strives to serve all individuals fairly and appropriately, which includes respecting the rights of every client at all times. Departmental officials therefore make every effort to provide clients with EI benefits and any other possible assistance they need and are entitled to receive, in a timely manner. These officials are responsible, at the same time, for making claim-related decisions in full compliance with the legislation and based on the merits of each case.

The EI program provides temporary financial assistance to unemployed individuals who have lost their job through no fault of their own, while they look for work or upgrade their skills. Each claim is adjudicated based on its own individual circumstances and in accordance with the provisions of the EI legislation.

Departmental officials must abide by the *Employment Insurance Act*, which holds the Department to a position of strict impartiality in all labour disputes. The basic principle that underlies this neutral stance is that it would not be appropriate for money contributed by both employers and employees to be used for the benefit of one in pursuit of an economic struggle against the other.

Accordingly, whenever there is a stoppage of work because of a dispute between employers and workers, the Department must determine specifically who is involved in such a dispute, and as a result, who is not entitled to benefits. The end of the stoppage of work is defined in the EI Regulations as when, in comparison to pre-strike levels, 85 percent of the work force has returned to work and the level of production activity reaches 85 percent. When the work stoppage cannot be attributed to a labour dispute, claimants are entitled to EI benefits, provided that they meet all other entitlement conditions of the program.
To make its determination, the Department conducts extensive fact finding, including gathering information from a variety of sources, such as the employer and union workers directly involved in the dispute, as well as any other employer and worker employed at the same premises where the stoppage of work has occurred. EI benefits cannot be paid until after this fact finding is completed and a decision is rendered on the dispute, and on the date on which it actually ended. Therefore, in cases that involve labour disputes, it is not unusual for the processing of claims to take longer than the Department’s normal processing time frames.

Following the Department’s fact finding, it was concluded that the stoppage of work at the Hilton Works facility was because of a plant closure announced by the company rather than a labour dispute. Therefore, on January 14, 2011, the company and its local Union were informed that a disentitlement would not be imposed on the EI claims filed by affected workers.

I hope this information is helpful in addressing your concerns.

Yours sincerely,

[Signature]

The Hon. Diane Finley, P.C., M.P.