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Nortel Disabled-Workers Bill Stalled In Canadian Senate

By Caroline Van Hasselt
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TORONTO (Dow Jones)--Canada's Senate, the upper chamber of parliament, continues to postpone a vote on a proposed law that is intended to prevent long-term disabled workers from being treated as unsecured creditors in corporate liquidations.

Bill S-216, which moves disabled employees up the queue to creditor status, is meant to help 375 Nortel Networks Corp. employees, who suffer from long-term disabilities such as multiple sclerosis and Parkinson's disease, who will lose their benefits at year's end because of a court-approved former employees' settlement this year.

The proposed legislation has stalled at committee level because of concerns expressed by Conservative-appointed senators under direction from the Canadian government. Industry Minister Tony Clement said last week that Bill S-216 would cause litigation because of the court-approved Nortel settlement agreement.

"They have no data to support it. If you look at what they've presented, it just doesn't stand up to scrutiny," Greg McAvoy, a Nortel employee on long-term disability, said. "The Conservatives have been instructed to vote it down. It's bad news for us."

"Who would believe that this would happen in Canada?," he said.

Toronto-based Nortel was North America's largest maker of telecommunications equipment. Since it filed for bankruptcy protection in Canada and the U.S. in 2009, Nortel has been auctioning off its assets.

The bill aims to protect Canada's workers from losing their disability benefits by increasing their priority on claims to an insolvent employer's assets.

"I believe what Nortel did was not right," Conservative-appointed Sen. Vim Kochhar said in the Senate Thursday. "I am prepared to support the bill if for one minute I could be convinced that this bill will result in the desired results."

Friday marks the International Day of Persons with Disabilities, a day Kochhar said in the Senate should be celebrated.

Without the bill's passage, which would need to go through the House of Commons, the Nortel disabled say they will be pushed into poverty.

"Surely our society has not become so revolting that our most vulnerable citizens are sued and kicked to the curb and forgotten," said Peter Hoyle, a reverend at Halton Presbytery of the United Church of Canada, in an open letter to Prime Minister Stephen Harper, Industry Minister Tony Clement and Senate Leader Marjorie LeBreton.

A group of the disabled Nortel workers filed an appeal to an earlier court ruling.

"We've been trying to get something moving here for quite some time and they have just refused to do anything," McAvoy said. "There's a lot of money involved. There's a lot of lawyers who make a lot of money in insolvency cases. There's a whole establishment that we're fighting both on the legal and the political side."

Company Web site: <http://www.protectourtomorrow.com>

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