

TO ALL IAMAW MEMBERS WORKING FOR AIR CANADA

AIR CANADA LOW COST CARRIER

UPDATE

Dear Brothers and Sisters,

Representatives from the IAMAW Canadian Grand Lodge, Transportation District 140, Air Canada Low Cost Carrier Committee and our legal counsel met with Air Canada representatives and their legal counsel in a series of meetings with mediator Vince Ready in Toronto on September 17, 18, & 30, 2014. The scheduled meeting of October 1, 2014 was cancelled as the IAMAW, during the September 30, 2014 meeting, verbally requested information which Air Canada would not have had available in time for the October 1, 2014, as such all parties agreed to reconvene meetings at a later date when the requested information was available. At the present time, legal counsel is continuing to work on obtaining further disclosure.

The information that is being sought and/or provided is, for the most part, commercially sensitive operational planning documents and capacity purchase agreements. Under an order issued by the Canadian Industrial Relations Board (CIRB) the IAMAW's legal counsel and a select few of our leadership group have had to sign non-disclosure agreements (NDAs) in order to obtain secured access to these documents and the information contained therein.

All mediation meetings before Mediator Ready are also subject to legal confidentiality requirements. The practical effect is that, "what happens in mediation stays in mediation", just as it does during a Collective Bargaining process.

These meetings are happening because on April 15, 2014 the IAMAW filed two (2) common employer applications with the CIRB - one for ACrouge and one for Sky Regional (flying as AC Express). The common employer application is a legal filing that asserts that all "scope work" performed at both companies rightfully belongs to the IAMAW Bargaining Agent and its Members under the terms and conditions of the Collective Agreement in force at the original business. The applications seek to provide job protection and security for our Members currently employed at Air Canada.

The Common Employer application is a two track process that runs concurrently. The first part is the formal litigation process that is initiated with the common employer filing. This process seeks a legally binding ruling from the Board under the Canada Labour Code that Air Canada and ACrouge and Air Canada and Sky Regional (flying as AC Express) are, for labour relations purposes, a common employer. Under this process the parties are continuing to exchange formal written pleadings.

Concurrent with the litigation process the CIRB will try and mediate a settlement agreement between the parties. Mediator Ready has been appointed to assist the parties in this process. The purpose of the mediation process is to determine if the parties can mediate a settlement of the issues and render the litigation process unnecessary.

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If the parties are unable to reach a mediated settlement, then the parties will proceed to litigation hearings on the merits of the application before the CIRB. This process is very similar to court proceedings whereby the CIRB will render a final and binding ruling either upholding the application or denying the application.

All Air Canada IAMAW Members are encouraged to read Kevin Howlett's October Horizons article on AC Express, the interview with Ben Smith in the November edition of Horizons, and Ross Marowit's October 5, 2014 Canadian Press article entitled, "Encore shaking up Canadian regional flying". The viewpoints in these articles provides Air Canada's vision of how they want to position the Company to grow and compete in the domestic, international and sun destination leisure markets using their new "three airline" product mix.

Once further mediation dates are scheduled it will be communicated to the affected Membership.

In Solidarity,

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Fred Hospes, President & Directing General Chairperson Transportation District 140, IAMAW

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