



# BULLETIN

## TRANSPORTATION DISTRICT 140 DISTRICT DES TRANSPORTS 140

*International Association of Machinists and Aerospace Workers  
Association internationale des machinistes et des travailleurs et travailleuses de l'aérospatiale*

### **IMPORTANT MESSAGE**

#### **NOTICE TO ALL MEMBERS AND FORMER MEMBERS OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (IAMAW)**

#### **WHO OPTED TO RETIRE/RESIGN FROM AIR CANADA AND REHIRE BY AVEOS**

#### **RE: DISTRIBUTION OF EXCESS FUNDS UNDER CIRB ORDER 9996-U & THE SEPTEMBER 12, 2012 ARBITRATION DECISION**

Dear Brothers and Sisters,

Transportation District 140 of the IAMAW intended to distribute certain surplus funds that remain in its possession as a result of a September 12, 2012 Arbitration Decision that assigned \$55M to the Union to cover the cost of the Air Canada Separation Packages under Order 9996-U to former Aveos Members who were employed at Air Canada on January 31, 2011, who opted to retire or resign from Air Canada as part of the Aveos transition process, and who were still working at Aveos at the time of its closure.

The arbitration that resulted in the September 12, 2012 decision took place under a mediation/arbitration procedure that is provided for in the CIRB Order No. 9996-U. The decision fixed a value of \$55,000,000 on the packages payable by Air Canada under Order 9996-U. This figure was based, in part, on a ruling in favour of Air Canada that the value of the original 1,500 separation packages provided for under the Order should not be calculated based on the entitlement and service of the retire/rehire group.

The decision then set out the process under which the employer was to make the \$55,000,000 payment, stating that all payments were to be made, "as directed by the Union subject to statutory deductions."

The basic fundamental Union philosophy and principle of Transportation District 140 was and is, that every Member who was employed at Air Canada on January 31, 2011 who opted to transition to Aveos from Air Canada as part of the Aveos transition process and who lost their job when Aveos closed was negatively impacted in some form or another by Aveos' insolvency and closure and should therefore receive some sort of compensation if possible.

Ultimately, the \$55,000,000 that was obtained by the Union through the arbitration process was sufficient to allow the Union to direct Air Canada to pay the full package amount as defined in Order 9996-U to each and every one of the more than 1,700 Members of the IAMAW who met the individual eligibility requirements set out in the Order. Accordingly, every Member who has received a package to date, has already received the fullest possible individual entitlement envisaged by Order 9996-U.

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In the interests of equity and fairness and in accordance with the terms of the Arbitration Decision, the Union is now intending to equally distribute surplus funds, less statutory deductions, to former Aveos Members who were employed at Air Canada on January 31, 2011, who opted to retire or resign from Air Canada as part of the Aveos transition process, and who were still working at Aveos at the time of its closure, since they have not received any compensation for their losses resulting from transitioning to Aveos in the context of its insolvency and closure.

Unfortunately, some members who received payments pursuant to Order 9996-U and the subsequent Mediation/Arbitration proceedings have filed legal proceedings challenging Transportation District 140's decision to distribute surplus funds to other members who have not yet received any compensation from Air Canada for their losses resulting from Aveos' insolvency. Transportation District 140 believes the approach it has taken to be reasonable and fair, as well as fully consistent with CIRB Order 9996-U and the Arbitrator's decision of September 12, 2012, and has requested that this matter be resolved expeditiously in order that it may proceed with the final distribution of these funds.

In Solidarity,



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

FH/jmm



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