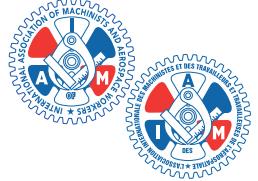


**INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE WORKERS**
**ASSOCIATION INTERNATIONALE DES MACHINISTES
ET DES TRAVAILLEURS ET TRAVAILLEUSES
DE L'AÉROSPATIALE**



Office of the Canadian General Vice-President • Bureau du Vice-président général canadien

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June 9, 2020

Attention: Air Canada General Chairpersons

Sisters and Brothers:

Re: Air Canada – CEWS Extension

As you are certainly all aware by now, Air Canada has elected to continue the Canada Emergency Wage Subsidy (CEWS) program for active employees and for those it expects to be recalled to active service over the coming months. I know this pandemic has created an undue hardship on many IAM families, including the majority of IAM members working for Air Canada. I have summarized below the activities that led to Air Canada choosing to continue the CEWS in the manner that it has done so:

- When the Canada Emergency Wage Subsidy (CEWS) was first announced in April, the IAM immediately reached out to Calin Rovinescu, to urge Air Canada to take advantage of the newly announced program: <http://www.iamaw.ca/GVP-Pickthalls-letter-to-calin-rovinescu-ceo-of-air-canada/>. Compared to the Canada Emergency Relief Benefit (CERB), this was a difference of \$347 per week in the pay cheques of more than 5,000 IAM members. Over the 12 weeks of the program, this meant \$4,200.00 to each of our members who were considered to be surplus, and were paid while not on active duty. In addition, the employees continued to be covered with benefit and pension contributions.
- In May, the Federal government announced the extension of CEWS for an additional 12 weeks, to August 29th. The IAM immediately reached out to Air Canada and urged them to participate in the extended CEWS: <http://www.iamaw.ca/stan-pickthall-letter-to-calin-rovinescu-extension-of-cews/>.
- This opportunity was declined by Air Canada when they announced on May 15th that they would layoff some 20,000 employees. This would include approximately 6,000 IAM members. In our May 19 release, the IAM harshly criticized Air Canada for this move: <http://www.iamaw.ca/machinists-union-calls-out-air-canada-over-abandonment-of-workers/>
- In subsequent meetings with Air Canada's representatives, we continued to push the Company to extend the CEWS program to all inactive employees. However, this was unsuccessful, as Air Canada had already publicly announced their intentions.
- Air Canada presented the Union with a position respecting continuation of CEWS for those actively working, and for those they expected to recall during the coming months. This initially included a condition that the Union waive rights under severance and group termination provisions (Division IX) of the Canada Labour Code. The Union flatly refused to agree with the terms as presented, and the Company later withdrew their conditions related to Division IX.

- Ultimately, the Company position was that there would be 541 IAM members who would be offered continuation of CEWS payments – these would be the next on seniority list to be recalled to active duty in their respective stations. There was no opportunity or willingness to increase the number; further they required our agreement by the end of the business day May 29th – otherwise the 541 CEWS positions would be withdrawn.
- This was a difficult decision, but one ultimately made under my authorization and approval as the General Vice President for Canada. To have taken an all-or-nothing approach to this would have meant a difference of \$347 per week for the coming 12 weeks to 541 IAM members – this is \$4,200 for each of these families. We could not in good faith leave this amount of money on the table.
- It is my understanding that as a result of a great deal of hard work and pressure by the General Chairpersons Committee, the final tally by Air Canada is now much higher than the 541 IAM members originally stated to be on the CEWS awaiting recall. I further understand that District 140 GC's continue to work on details where there are some irregularities in the lists of employees to be recalled or retained; this work is ongoing.

The IAM continues to take the position that Air Canada – and all IAM-Represented employers – should take advantage of the Federal CEWS program to the extent that it is available from the Federal Government. We remain available to discuss expanding CEWS to all Air Canada members represented by the IAM. In support of this, we also have an email campaign to the Federal government on our website, and are encouraging all IAM members to join us.

Please ask your members to add their name to the list of letters sent to the Prime Minister: “We’re calling on you to right this wrong and demand employers maintain their employees on the Canada Emergency Wage Subsidy (CEWS) program.” <http://www.iamaw.ca/the-wage-subsidy-program-canadian-workers-lifeline-not-to-be-taken-away/>

We continue to push Air Canada and other employers across the country on these issues and many others. Together, we are a louder voice.

In Solidarity,



Stan Pickthall
General Vice-President

cc. Fred Hospes, PDGC
DL140 Executive Board