

Financial Aid for Airlines on the Horizon: Air Canada Negotiates a Deal



[frank](#) 12 April, 2021

*April 12, 2021
For Immediate Release*

“Announcement of an aid package for Air Canada brings relief to many workers in the aviation and air transportation sectors and is a critical first step towards a recovery. Aid has been a long time coming, and will stop the hemorrhaging in the entire Canadian industry, and related industries, such as aerospace, in which we also have a stake.” remarked Stan Pickthall, Canadian General Vice President on breaking news.

Fred Hospes, President and Directing General Chairperson of District Lodge 140 added that, “after months of devastation, mass lay-offs, regional route cancellations and the future of the industry hanging in the balance, this is a light at the end of a long, dark tunnel.”

The International Association of Machinists and Aerospace Workers (IAMAW) learned that Air Canada will receive low interest loans amounting to \$ 5.9 billion, through the Large Employer Emergency Financing Facility (LEEF). In exchange for financial aid, Air Canada is prevented from share buybacks, paying out dividends and paying out executive bonuses, which is something the IAMAW fully supports. Pickthall pointed out that, “executive bonuses do not provide value to the industry, and all public money must be used responsibly in the interest of achieving the goal of ensuring the viability of Canadian air transportation.”

Fred Hospes was especially glad the government's stipulation that employment levels must not fall below levels in April 1, 2021. "We've seen many of our members in air transportation laid-off, eagerly awaiting to return to work. Our position has always been that jobs must be preserved, maintained in Canada, and that the quality of jobs is protected. We are pleased that the federal government put in place a condition that protects jobs." elaborated Hospes.

The government also requires regional routes to be re-established, which supports domestic travel. Hospes elaborated on the significance of this by saying, "We have been focusing on getting our members back to work and emerging from the pandemic. More than 50% of our Air Canada members have been furloughed, and resuming regional services will provide re-employment opportunities." We've also learned that Air Canada has placed orders for new aircraft, A220s and 737 MAXs, which will support jobs in aerospace.

"Our calls for an aid package, and continuous lobbying has paid off, especially when we consider that much of what we've been advocating for has made it into the conditions of the loan." stated Pickthall.

The IAM has advocated for an aid package for over a year, insisting that any aid offered to any airline must be worker centric, be fiscally responsible, accountable to the public and responsible with public money. "We've been critical of the federal government for lack of action, but this is something we can support." commented Hospes.

Passengers have patiently waited on an announcement on refunds, so many will breathe a sigh of relief upon learning the government freed-up \$ 1.4 billion for refunds. This is a great deal for all those who were forced to cancel their flights, or whose flights were cancelled by Air Canada.

"Other airlines are still in negotiations, and we await more details, but all of this is long awaited good news." said Hospes, adding that this arrangement, "sets up the framework for other deals that may come."

The IAM is the largest union in air transportation and aviation, representing workers across Canada.