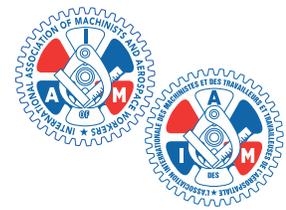


**INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE WORKERS**
**ASSOCIATION INTERNATIONALE DES MACHINISTES
ET DES TRAVAILLEURS ET TRAVAILLEUSES
DE L'AÉROSPATIALE**



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

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BY E-MAIL

November 18, 2020

The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
House of Commons
OTTAWA, ON K1A 0A6
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The Honourable Marc Garneau
Minister of Transport
House of Commons
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Dear Ministers:

As the two largest unions representing workers in the air transportation industry, we are writing to urge the Government of Canada to rapidly undertake measures to address the current crisis in the sector. As a vital component of Canada's economy, air transportation will be essential to our national recovery effort, as long as it survives. Before the devastating blow from this global pandemic, the aviation industry employed roughly 240,000 workers and contributed nearly \$37 billion to Canada's GDP. But the industry has been among the hardest hit parts of our economy, as the pandemic inflicted severe and unprecedented financial costs and widespread layoffs.

Airlines are unique in the tremendous demand for liquidity in their business operations. Airlines have had to make painful decisions to preserve their survival in the short-term and these short-term economic impacts now threaten the medium- and longer-term viability of the Canadian industry. Unless steps are taken now, the loss of highly-qualified employees and the erosion of the industry's skills base will undermine Canada's position in the global aviation industry once passenger air travel fully recovers. Furthermore, workers in aviation have been impacted at levels never previously seen, and the industry will be vulnerable for the next several years as we recover.

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We therefore recommend the Government of Canada urgently undertake the follow measures:

Implement sector-specific financial assistance for the aviation industry.

Canada remains out of step with many other countries in providing airline industry-specific financial support.

The airline industry has already undertaken [significantly higher levels of borrowing compared to other industries](#) in an attempt to withstand the crisis. Assuming still-greater debt loads will prevent a rapid return to financial health when the public health crisis subsides. The government therefore should invest directly in the industry by receiving an equity stake (and not simply equity warrants) in return.

Any contribution to Canada’s airline industry must be in the form of an investment – one that comes with a voice in the governance of that airline. Canada should favor the approach taken by European governments such as France and Germany. For example, Berlin’s investment in Lufthansa will give it a 20% stake in the company and two board seats. Not only is this approach an investment rather than an expenditure, it also allows for access to information, and better capacity to supervise the use of public funds.

Provide support to retain employees and maintain essential skills and qualifications necessary for industry recovery.

Canada’s airline industry cannot simply be mothballed for an indeterminate period, and then reactivated when favourable conditions return. Pilots, flight attendants, air traffic controllers and aircraft maintenance engineers must maintain technical skills and proficiencies in order for the industry to be ready for full and rapid resumption of air travel. However, employers have laid off many employees with vital skills and long experience. Without support, the workforce will not be available in a timely manner when the time comes to ramp up operations.

A **skilled worker retention program** for the industry must therefore be an essential part of government assistance to the industry.

Income support will now fall to the Employment Insurance benefit rate, as the CEWS program is gradually aligned with EI regular benefits. This will have a devastating impact on the incomes of airline employees, and will further encourage attrition and skills loss in the industry. We urge the government to reconsider current CEWS rules for furloughed employees and to prevent their incomes from diminishing further.

Place the interests of aviation workers at the heart of any sector-specific financial assistance to Canada’s airlines.

Any financial assistance package from the federal government must be developed in consultation with, and have the consent of, the bargaining agents representing airline workers. It must return employees to payroll, protect and honour collective bargaining rights, and come with legal guarantees that financial support will go firstly to support workers’ wages and benefits.

We expect that all workers will remain covered by employers’ extended health benefit plans, and that time spent on furlough or layoff will count as pensionable service under retirement plans. Federal monies should be allocated to ensure sponsors meet their funding obligations under all retirement plans.

Binding commitments must be made to maintain service, call-centre, and other operations in Canada. Canadian carriers receiving financial assistance should be required to conduct aircraft maintenance work in Canada, rather than offshoring this work to other jurisdictions while Canadian airline employees remain laid-off. Also, any government aid must be accompanied by strict and express limitations on executive compensation.

In addition to providing proper protective equipment and procedures to safeguard aviation workers against exposure to COVID-19, regulatory safeguards, including flight- and duty-time regulations, must continue as before. Rapid and effective use of testing will be vital for the industry’s recovery, but aviation workers must not be expected to bear the cost of testing and quarantine requirements.

Bring industry partners and stakeholders together to develop a Canadian aviation strategy to respond to the crisis and emerge from it.

An integrated strategy for the aviation industry is necessary to contend with current challenges and prepare the industry for full recovery as the public health emergency eases. Among other elements, the strategy should include sectoral labour-force planning.

It should also include effective government communication to citizens and the traveling public. Clear communication is essential to ensuring public adherence to health recommendations, but also instilling consumer confidence. Industry [research](#) suggests that the risk of inflight COVID-19 transmission is very low, and certainly lower than the public’s perception. The government should launch a communication campaign to counter false and misleading information regarding risks incurred in passenger air travel.

As Canada's aviation unions, we stand ready and willing to collaborate with government and industry on short-, medium-, and long-term solutions to the challenges facing the sector.

Sincerely,



MARK HANCOCK
National President
CUPE



STAN PICKTHALL
General Vice President, Canada
IAMAW

:tp/ceu

c.c.: C. Fleury; A. Desjardins; A. Healy; C. Grenon-Nyenhuis; G. Falconer; H. Youssef, President, CLC; C. Roberts, CLC