



June 10, 2011



## Special Bargaining Bulletin

Dear Sisters and Brothers,

As we have done on a constant basis, below you will find a full report on the status of negotiations and other information for the membership.

### Air Canada Propaganda

Air Canada published two documents late yesterday afternoon that were distributed throughout the workplace. This move by Air Canada is absolutely unconscionable. The Bargaining Committee is furious with the corporation, who are attempting to ignore the Bargaining Committee and communicate directly with our membership. This borders on bad faith bargaining and we have expressed our anger and frustration with Air Canada over this measure. Our members should also be furious with this corporation. The workers at Air Canada are directly responsible in the day to day work and ensuring that Air Canada is one of the best airlines in the world. In fact, it was reported yesterday through J.D. Power and Associates that the customer satisfaction was up 10 percent. So much for recognizing, all your hard work.

Air Canada's communications attempts to intimidate the membership, and those of us who have read this garbage, know and recognize that the majority of the material is false. The audacity to put the wages of not just CAW workers but IAM and CUPE workers in a public document is ridiculous. There is no question that this has set a different tone at the bargaining table.

The message for those who designed and approved these documents is clear; go straight to hell! How dare you lecture the membership when Air Canada is paying out millions of dollars to CEO Calin Rovinescu which includes millions to stay around the airline for one lousy year?

We are urging our membership to express your anger and frustration to your managers, up to and including sending emails. You have the right to be critical as long as you are constructive in your criticism. Air Canada needs to focus on the worker's issues and the right to a fair, equitable and decent agreement rather than publically defame them. As we all know workers at Air Canada earn every single penny they make. Instead of criticising workers pensions, benefits and wages, they have to recognize the hard work of our members by negotiating solid increases, protecting our pension plan and giving back what they took during CCAA protection.

These documents compared Air Canada to other industries which is totally unfair. To add insult to injury, the document includes bragging about their bonuses and their recognition awards. Yet at the bargaining table they have demands to delete and eliminate any future benefit in this area.

## The Bargaining Table

The committee continues to work to put in clear terms that in this round of bargaining, we are determined to make progress. Our proposals recognize that productivity has increased over 75 percent since 2002. The last proposal from the corporation fell significantly short of the goals of the bargaining committee in all areas. This corporation still has the following issues on the bargaining table:

- Separate/new classifications in the airports. This includes Special Services Agents handling wheelchairs, kiosks and lines.
- The corporation is demanding limiting the ability to transfer between call centres and airports.
- Small bases
- Elimination of the Retirement Phase-in Program.
- On the pension formula, change definition of final average earnings from 36 months to 60 months.
- Reduce the pension formula to 1.3%/2% of earnings for all years of service (the current formula is 1.9%/2%).
- Delay unreduced early retirement from age 55 and 80 points to age 60 and 90 points.
- Delay the option for early retirement from 25 years of service or 80 points to 30 years of service or 90 points.
- Reduction in joint and survivor benefit (upon member's death).
- Wages and benefits.
- Closure of the Defined Benefit Pension to new hires and set up a minimal defined contribution pension plan.

As you can see, the corporation has put enormous challenges in front of the Bargaining Committee. These concessions must be eliminated and withdrawn if we are to reach a settlement before June 13<sup>th</sup> at 11:59 p.m. EST.

The committee has made some progress. As of last night, the corporation removed two major concessions in the low cost carrier demand and the elimination of Jazz work. We will continue to hammer away until all the concessions are gone. We are expecting some time today or tonight, to receive a second proposal from Air Canada.

## Newly Elected Bargaining Committee Members Join Process

This morning the three newly elected bargaining committee members: Central Region /Frances Galambosy, Eastern Region /Ted Mossa and Atlantic Region /Euila Leonard who will be joining the current BC Friday. As we near the June 13<sup>th</sup> deadline at 11:59 p.m. of a strike or settlement, it is imperative that they be brought into the bargaining process.

As solidarity is critical if we are to reach a settlement, it was important that these newly elected members be part of the process.

## Massive Rallies - System Wide

As our members should be aware, we have organized mass rallies across the country in our attempts to engage our membership in delivering a clear message to Air Canada. Local 2002 members fully support their demands and their bargaining committee as we go through these very difficult negotiations. By every measure rallies were a total success, including the rally held yesterday, in Toronto, where Air Canada workers were joined by hundreds of CAW workers and Local Unions from across the GTA. There is no question that Air Canada heard the message loud and clear.

## Speakers included:

CAW National President Ken Lewenza, Canadian Labour Congress Executive Vice-President Marie Clarke-Walker, Ontario Labour Council President Sid Ryan, Toronto and York Region Labour Council President John Cartwright.

In addition, CAW Local 2002 President Jamie Ross spoke on behalf of the Air Canada members. Jamie laid out the issues clearly, to the massive crowd and thanked them for their solidarity. She expressed to her members that enough is enough! A fair and equitable deal must be reached if we are to have a settlement.

On behalf of the total union, Brother Ken Lewenza criticized the corporation for their lack of commitment to the bargaining table and warned them that Air Canada has the total support of our 200,000 members across the country. Ken also had a message for Air Canada's customers "Our fight for decent wages may unfortunately result in disruptions for Air Canada's customers." He expressed on your behalf that you work incredibly hard and that our membership at Air Canada respects and cares about the customers and committed that over the next three days, we will work hard to get a fair deal for our membership.

The bargaining committee cannot express their appreciation enough for those that organized the rallies, and the participation of their Local 2002 membership. The support from the CAW Local Unions across the country has been incredible. The labour movement in every province have shown great support, as they recognize this is a fight with Air Canada but is and will affect many other sectors as pensions are under attack everywhere and concessions is the only word in the corporate boardroom.

## New Letters of Support

We thank the two new unions who have voiced their support for Air Canada workers and their fight for a good contract.

On June 8, the Canadian Association of University Teachers President Wayne Peters and Executive Director James L. Turk wrote to Air Canada CEO Calin Rovinescu, asking him to reach a fair and equitable deal for CAW members.

"...We urge you to withdraw your demands to both slash pensions for Air Canada's existing customer service workers and create a two-tier pension plan system for new employees.

For years these workers have accepted wage concessions in order to protect their pension plans and to help make Air Canada profitable again. And this seems to have been forgotten now that Air Canada is back in the black."

To read the full letter, please visit: <http://bit.ly/kDGgf8>

On June 7, the Public Service Alliance of Canada President John Gordon wrote to CAW National President Ken Lewenza, voicing his support on behalf of the 176,000 public service workers represented by the union.

"Your fight with Air Canada is shared by all of us across the labour movement.... This is a collective struggle by all unions to defend the rights of workers against the right-wing corporate agenda, promoted by employers across the country. We are united in our solidarity and determination to protect our membership."

To read the full letter, please visit: <http://bit.ly/kUWqCB>

## 72 Hour Notice

As explained in previous bulletins, the 81 day procedure in the Canada Labour Code includes a lawful requirement to serve a 72 Hour Notice to the Canada Labour Relations Board, Minister of Labour and the Corporation. It is clear that given the significant concessions that are on the bargaining table by Air Canada, we are left with no other choice but to issue the 72 hour notice to Air Canada and the government tonight at 11:00 p.m. Hopefully, this notice moves the corporation in the right direction, as a deadline of June 13<sup>th</sup> at 11:59 p.m. will not be moved.

By now the leadership and membership should be in receipt of information dealing with many matters as we head towards the deadline. We have prepared documents to guide the membership and to ensure that the District Chairs and Vice-Presidents have all the tools necessary to ensure that we are ready in case of a dispute.

Last night at 7:00 p.m. EST the bargaining committee held a national conference call with all the District Chairs and VPs across the country. In addition, they were joined by CAW National Director of the Strike Department Mike Reuter and CAW Local 2002 National Strike Coordinator Sean Smith. The leadership was fully briefed on the status of bargaining and then dealt with the numerous issues that will arise if there is a strike.

Air Canada is publically saying they intend to run the airline. We would not expect them to say any different. The bargaining committee remains focused on reaching a settlement that will be supported by the leadership and membership of Air Canada workers.

In closing, we cannot stress enough how critical it is to continue to support your union. Do not listen to rumours or innuendos or company propaganda. In every location across the country we will ensure that leadership and district chairs are with you as we go through this difficult challenge. We intend to communicate on a regular basis and thank you once again, for your solid support.

In Solidarity,

Ken Lewenza  
National President

Peter Kennedy  
National Secretary-Treasurer

Jean-Pierre Fortin  
Quebec Director

Paul Janssen

Dave Hoskins

Sylvia Rothlin

Marcel Rondeau

Christa Chaplin

Vicky Xekominos

Jamie Ross  
Local 2002 President

Leslie Dias  
National Representative

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