



Via E-mail

September 30, 2020

**The Honourable Chrystia Freeland
Minister of Finance**

Department of Finance Canada
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**The Honourable Marc Garneau
Minister of Transport**

Transport Canada
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Re: An urgent call for government action

Dear Minister Freeland and Minister Garneau:

The COVID-19 pandemic has created an unprecedented crisis in Canada's travel and tourism industry, particularly for Canada's aviation sector. Following a precipitous reduction in operations that has seen employees laid off or furloughed, aircraft grounded and some operators ceasing or diverting to skeleton operations, the air transportation industry only saw slight gains in activity in the summer period. The industry has suffered the deepest drop in economic activity compared to any other industry in Canada – and analysts are predicting recovery for our sector is years away.

The Throne Speech did not deliver a plan to ensure the industry will survive this crisis.

It is not just that Canada's aviation workers are left wondering about putting food on the table or supporting their families – although this is a critical and acute concern. In 2019, Canada's air transportation employed 241,000 highly skilled and extensively trained workers at airlines, airports, air navigation services and even in aircraft manufacturing. Together, these services and manufacturing represent nearly \$37 billion in Canada's Gross Domestic Product (GDP). At Air Canada and WestJet alone, some 30,000 employees are currently on either lay-off or furlough status.

As critical as this industry is for aviation workers, it is also critical for all Canadians – during the pandemic and beyond. Aviation is a crucial component of national and international trade-related economic activity. It supports business, tourism, and cargo. In short, Canada's air transportation industry is a vital engine that helps power Canada's economy.

If this industry is not sustained during this pandemic, our country may not be able to draw upon it to take our goods to international markets, and in turn to ensure Canadians have access to vital items. After all, Canada's airlines were a vital link in the supply chain when lives were dependent on their ability to bring PPE to Canada and share within our own country.

We also need to ensure there is an industry to return to – to ensure Canada's long-term recovery is not stifled by a need to rebuild this critical sector. After all, just as with the hundreds of Canadian-registered airplanes that are currently parked, employees cannot easily be returned to service without being properly tended to during this period.

There are tens of thousands of highly skilled and trained aviation workers who need more certainty in their lives – and they need assurance that they have an industry to return to.

Canada needs a plan to ensure the aviation industry is able to weather this storm and come out the other side intact. Any recovery strategy must focus on three main pillars: an industry-specific corporate support package that ensures benefits flow through to workers and communities, continued government support programs for furloughed employees

until recovery is secured, and an updated approach to border controls that is rigorous, safe and reflects scientific evidence.

Sector-specific support is urgently required

With the number of furloughs that have already occurred, with many more in the works, it is evident that the existing support is insufficient to sustain the air transportation industry. An air transportation industry support package is desperately needed to ensure the industry is sustained through this crisis. Without one, we can expect corporate consolidation, job loss, bankruptcy and further elimination of service at many locations in Canada. With meaningful Government support the industry can be kept alive by Canadian owned and operated companies whose profits stay here. Companies in receipt of support must be required to meet certain conditions that ensure benefits flow to workers while the public interest is protected.

Furloughed workers need income support

In the Speech from the Throne the Government announced it would expand the CEWS through to next summer. This is welcome news but there are many improvements that must be made in order to ensure the CEWS is successful in sustaining the jobs it is meant to sustain. CEWS must include the 75% replacement rate for currently working and furloughed workers, supplementary support for industries with long recovery periods, and health premiums and other non-taxable benefits in the definition of eligible remuneration. Unfortunately, many employers in the sector are not using the program.

Canada needs a thoughtful approach to border controls, including a testing plan

Canada needs a solid plan to re-open its borders to travel. The plan needs to be rigorous, safe and science-based. Without a plan, workers and employers are being abandoned and left out in the cold, uncertain of their future. The government must make improvements to border quarantine policies that reflect international best practices, including classification of countries, rapid testing of travellers and improved contact tracing with mandatory quarantine for travellers that test positive.

Canada's federal government must act to protect this critical and hard-hit industry

Even if there was a plan in place that safely and prudently opens the borders, it will be years before this industry fully recovers. The Throne Speech failed to acknowledge the dire situation of this industry. The government failed to deliver the plan that the industry has called for, leaving workers, employers and travellers with continued uncertainty.

Canada's air transportation unions are calling on the federal government to act now and prevent the current crisis from collapsing the industry entirely, so that the industry will be there for Canada and for Canadians to support our country, our economy, and our people through recovery.

Sincerely,



Rob Giguere
Chief Executive Officer, ACPA



Tim Perry
President, ALPA Canada



Jerry Dias
President, Unifor

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