



AIR LINE PILOTS ASSOCIATION INTERNATIONAL

THE WORLD'S LARGEST PILOTS UNION • WWW.ALPA.ORG

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March 18, 2020

The Honourable Marc Garneau, P.C., M.P.
Minister of Transport
Via email: mintc@tc.gc.ca

Dear Minister Garneau:

RE: ALPA Priorities for Airline Relief

The airline industry is facing a crisis that will require governmental response given the magnitude of recent travel measures and reduced consumer demand from the combination of the coronavirus (COVID-19) and a potential downturn in overall economic activity.

Airlines have implemented flight reductions and reduced work schedules, and layoff notices are beginning to be sent out at some carriers. Forecasting suggests these measures will, unfortunately, increase. The Air Line Pilots Association, Int'l. (ALPA) is working with our airlines in an attempt to immediately stop the financial bleed and keep the aviation system operational. ALPA maintains that any relief to the airline industry must prioritize pilots and other frontline employees.

Air transportation is an integral and irreplaceable part of the Canadian economy that facilitates trade, plays an instrumental role in tourism, and ensures the movement of people and cargo throughout our country and the world.

Canadian airlines employ over 50,000 people directly, another 141,000 indirectly with an economic footprint of \$35 billion, and help support millions of other good jobs throughout the economy. Airlines feature one of the highest union-density rates of any industry, and through collective bargaining employees share in the benefits of the work they create. Taken together, the failure of the airline industry would have wide-ranging effects on the workforce and the economy, including increased downward pressure on Canada's GDP.

ALPA believes that any relief or stimulus package must include responsible guardrails on how the funding and credit instruments operate, for whom relief should focus, and how it can be utilized by airlines that require the government's assistance. ALPA also strongly believes that frontline employees should be a priority for any relief package that the federal government establishes, and that airlines must meet certain conditions in order to receive assistance.

We would like to share our experience and expertise on any assistance directed at airlines and request that the following elements be included in any potential package for airlines dealing with the impact of COVID-19.

Express Limits on Carriers Which Receive Relief

- Require, as the first priority, using federal credit instruments to pay employees' salaries and benefits.
- Effectively structure employees as a first-order priority. This would require the use of existing and future resources to prioritize payments to employees as directed by existing collective agreement (CA) coverage, before any payment to executives, non-CA-covered management employees, and shareholders/bondholders; capital expenditures; making a share repurchase; or paying subcontractors or any temporary/non-CA-covered employee.
- Require that any negotiated concession to a CA will be reversed or renegotiated based on changed circumstances.
- Prohibition on making a share repurchase using a federal credit instrument.

Prescribe the Exercise of Any Entity That Distributes Federal Assistance

- Any board or entity that reviews, decides, and makes decisions on or related to the distribution of federal assistance/relief to an airline will include authorized employee representatives, including such for pilots for both passenger and all-cargo air carriers.
- Prohibit any board or entity that reviews, decides, and makes decisions on or related to the distribution of federal assistance/relief to an airline from altering any component of an existing collective agreement or bargaining unit without the express consent of the bargaining agent.
- Require that any concessions made by employees' authorized representatives to any airline will be normally reversed or renegotiated upon petition of those representatives.

Health and Welfare of Employees

Furloughed workers at recipients of federal credit instruments or assistance shall:

- Remain on employer health-care plan at active employee rates.
- Have furloughed time count as years of service for all purposes under retirement plans.
- Have the ability to make employee deferrals attributable to furloughed time upon return to work.
- Receive all employer pension contributions attributable to furloughed time upon return to work.
- Be permitted penalty-free "hardship" withdrawals from RRSPs while on furlough.

- Funding relief shall be provided, or federal assistance funds set aside, to ensure companies meet their funding obligations under all defined benefit and defined contribution retirement plans.

Regulatory Implementation

ALPA strongly believes that forthcoming regulatory implementation, specifically with regards to changes to the *Canada Labour Code* currently being contemplated as well as the flight- and duty-time regulations due to take effect in December 2020, must continue. It is our view that while extreme and unprecedented, the COVID-19 pandemic does not preclude our duty to act responsibly to uphold both high labour standards in this country as well as continue to prioritize safety in the case of the flight- and duty-time regulations.

Rest assured, the safety and security of the flying public, pilots, and crews remains our top priority. We also want to ensure, however, that ALPA members are treated fairly and reasonably by the federal government and their employers during difficult times when decisions affecting them, and their families, are being made.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Perry', written in a cursive style.

Captain Tim Perry
ALPA Canada President
Air Line Pilots Association, International

cc:	Right Hon. Justin Trudeau, Prime Minister	pm@pm.gc.ca
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