

# TRANSPORTATION DISTRICT 140

## DISTRICT DES TRANSPORTS 140

International Association of Machinists and Aerospace Workers  
Association internationale des machinistes et des travailleurs et travailleuses de l'aérospatiale

July 13, 2009

The Honourable James Flaherty  
Minister of Finance  
Department of Finance Canada  
House of Commons  
Parliament Buildings  
Ottawa, ON K1A 0A6

Dear Mr. Flaherty:

**RE: AIR CANADA PUBLIC PARTICIPATION ACT (THE "AIR CANADA ACT")**

I would like to introduce myself; I am the President and Directing General Chairperson of Transportation District 140 of the International Association of Machinists and Aerospace Workers ("the Union / IAMAW").

As a District we represent over 12,000 employees at Air Canada ("the company") as well as many other companies across Canada.

A large number of our members have been affected by the sale of Air Canada's Heavy Maintenance Division ("ACTS") to a group of investors by an entity named AVEOS. The IAMAW has been fighting this sale and working to protect the interests of our members through all available labour relations avenues including, going before the Canada Industrial Relations Board. These efforts have resulted in maintaining the employees' status as Air Canada Employees.

In our latest negotiations with Air Canada, the Union was able to secure a commitment to maintain the employment status of affected employees until April 1, 2011. The impacted employees will only move to AVEOS if the IAMAW is satisfied that AVEOS is a viable business. The issue of viability will almost certainly be litigated before that time.

The IAMAW is also of the view, that the company was prohibited by the provisions of the Air Canada Act, from selling its Heavy Maintenance operations. The Act specifically requires Air Canada to maintain overhaul bases in Montreal, Mississauga and Winnipeg. The sale of ACTS violates this provision of the Air Canada Act.

Over five hundred (500) affected IAMAW members have requested the Federal Government to enforce the provisions of the Air Canada Act. To date, you have not responded to these requests.

On behalf of the IAMAW, Air Canada employees, I am requesting that you provide to me the Federal Government's position on this issue.



### Atlantic / Maritimes

11 Thornhill Drive  
Suite 239  
Dartmouth, Nova Scotia  
B3B 1R9  
Tel/Tél. : 902-481-0077  
Fax/Télé. : 902-481-0079

### Central / Centre

2580 Drew Road  
Suite 203  
Mississauga, Ontario  
L4T 3M5  
Tel/Tél. : 905-671-3192  
Toll Free/Sans frais :  
1-877-426-2948  
Fax/Télé. : 905-671-2114  
Toll Free/Sans frais :  
1-866-298-0369

### Eastern / Est

3860, boul. Côte-Vertu,  
Bureau 214  
Saint-Laurent, Québec  
H4R 1V4  
Tel/Tél. : 514-336-3031  
Toll Free/Sans frais :  
1-888-992-1010  
Fax/Télé. : 514-336-3039  
Toll Free/Sans frais :  
1-866-800-3039

### West / Ouest

11871 Horseshoe Way  
Suite 2131  
Richmond, B.C.  
V7A 5H5  
Tel/Tél. : 604-448-0721  
Toll Free/Sans frais :  
1-877-426-3140  
Fax/Télé. : 604-448-0710  
Toll Free/Sans frais :  
1-888-310-1688

3515 - 27<sup>th</sup> Street, N.E.  
Unit 23  
Calgary, Alberta  
T1Y 5E4  
Tel/Tél. : 403-250-3708  
Fax/Télé. : 403-250-3707

18 - 399 Berry Street,  
Winnipeg, Manitoba  
R3J 1N6  
Tel/Tél. : 204-987-9254  
Fax/Télé. : 204-987-9252

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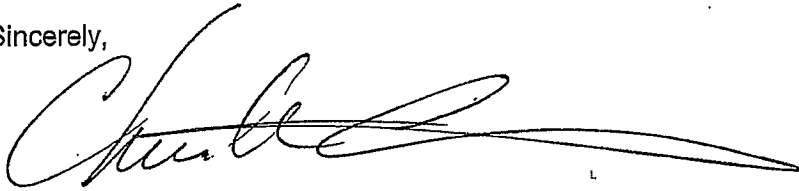
The Union believes that our government must concretely demonstrate its commitment to Air Canada and the provisions of the Air Canada Act and the vital role its employees play in maintaining good paying, highly skilled jobs in all regions of Canada..

For that reason, the IAMAW believes that our government must not only enforce these provisions of the Air Canada Act, but also amend the Act in order to provide that Air Canada must also maintain a Heavy Maintenance base in Vancouver.

The AVEOS issue has had a profoundly destabilizing effect on Air Canada's labour relations between the Union and the company. Enforcing the Air Canada Act will only serve in helping with the improvement of the labour relations environment within Air Canada

Please note this letter is written without any prejudice basis to the labour law arguments that the IAMAW will be advancing before the CIRB, or any court of competent jurisdiction.

Sincerely,



**Chuck Atkinson**

President & Directing General Chairperson  
Transportation District 140, Canada  
International Association of Machinists & Aerospace Workers

CA:gls 

C TDL 140 File  
Negotiations File