

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

February 16, 2011

TO ALL AIR CANADA EMPLOYEES

RE: TRANSPORTATION DISTRICT 140 COMMUNIQUE – PENSIONS

During June of 2009 the Unions at Air Canada were forced into negotiations regarding special Air Canada Pension Funding Regulations. At that time the Office of the Superintendent of Financial Institutions (OSFI) and the Federal Minister of Finance James Flaherty advised the parties that they would have to address the sustainability of the Air Canada pension plans and find a long term solution for the solvency deficiency problem.

In June of 2010 the Minister of Finance sent a letter to Air Canada requesting a status report on any progress that had been made with respect to this issue. As a result of that letter, a meeting between Air Canada and the Air Canada Pilot's Association (ACPA), the Canadian Airline Dispatchers Association (CALDA), the Canadian Autoworkers Union (CAW), the Canadian Union of Public Employees, Air Canada Component (CUPE), the International Association of Machinists and Aerospace Workers (IAM&AW) and the Air Canada Pionairs was held.

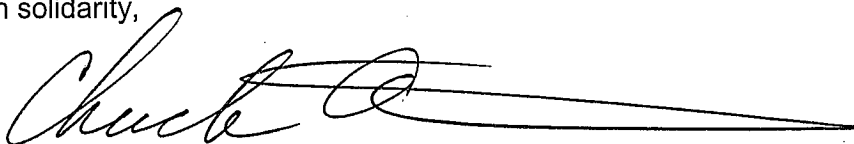
The Unions were all in agreement that they have not been able to bargain freely in the last decade because the pension plans have dominated the collective bargaining process each and every time. However, no Union was comfortable with the Minister of Finance "fixing" our plans on his own.

After careful consideration the IMAAW has chosen to deal with the pension issue in a process separated from collective bargaining. Entering into separate pension discussions will give our negotiations committees the ability to bargain freely on all other Collective Bargaining issues.

To be very clear it is the unequivocal position of the IMAAW that the Defined Benefit Pension Plans will be maintained for all of our members.

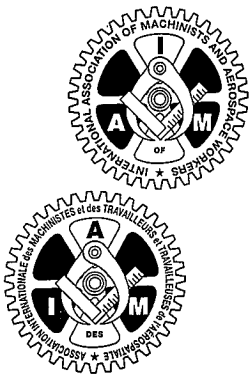
If any changes are contemplated to our pension plans, they must first be approved by the Negotiations Committees and then ratified by the membership along with the collective agreement.

In solidarity,



Chuck Atkinson
President & Directing General Chairperson

CA:cp



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