



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

May 15, 2012

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Mr. Calin Rovinescu
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By fax: 514-422-4945

SUBJECT: Air Canada's Motion to Terminate Contracts with Aveos

Dear Mr. Rovinescu:

I am writing with respect to the above-noted motion. I read with some concern the difficulties Air Canada is having in scheduling maintenance for its aircraft. As I understand it, these problems result from Aveos ceasing its operations.

As you know, the IAMAW represents a large number of individuals with the skills and experience to carry out Air Canada's maintenance work and who are currently unemployed as a consequence of Aveos's closure. The IAMAW has in fact reached agreements with Aveos and a number of third parties with work in progress at Aveos in order to have our members carry out, on Aveos's premises, the work of these third parties.

The IAMAW strongly supports the Divestiture Process currently being carried out on a short time frame under the Court proceedings, which, if successful, would see successors to Aveos's business lines providing maintenance and repair services to the aviation industry in Canada, as well as jobs to our members.

The IAM is concerned, however, that this outcome cannot be achieved if Air Canada takes steps to enter into long-term contracts for its work prior to the conclusion of the Divestiture Process, as the motion materials suggest.

As you may be aware, Air Canada, Aveos and the IAMAW are party to a Letter of Agreement regarding Article 20.07 of the Collective Agreement ("the LOA"), which is an agreement entered into for the Union's benefit in the context of the transition of the Union's members to Aveos.

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The position of the IAMAW is that the LOA obliges Air Canada to have its maintenance carried out by IAMAW members at Air Canada or Aveos, or a successor to Aveos. On April 11, 2012, the IAMAW obtained an interim order from the Chief Arbitrator requiring Air Canada to provide notice under the LOA in the event that Air Canada directs maintenance work outside the IAMAW units. On May 1, 2012, the IAMAW indicated to Air Canada and the Chief Arbitrator that it sought no substantive orders under the LOA at this time.¹ The IAMAW can advise that it took this step in order to avoid undermining in any way the Court divestiture process.

The Union saw in Air Canada's motion materials that Air Canada stated a commitment to "cooperate with the DP [Divestiture Process] and to work with potential acquirors of the various Aveos businesses . . . who are MRO providers having globally competitive cost structures, with preference given to those that have or will establish some portion of their operations in Montreal, Winnipeg, Vancouver and Toronto and employ the skills of Canadian aviation technicians." These statements are consistent with statements made by you before the Parliamentary Committee in response to questions concerning the situation of the former employees of Aveos.

It therefore appears that Air Canada and the IAMAW have a shared interest in having Aveos or an IAM certified successor of Aveos resume operations and carry out Air Canada work.

We hope that we can meet and work towards a mutually beneficial outcome.

Sincerely,



Chuck Atkinson
President and Directing General Chairperson
Transportation District 140, IAMAW

CA/mcb 

¹ The arbitration is now adjourned at Air Canada's request pending the IAMAW's decision to seek specific orders under the LOA.