

June 4, 2021

SENT VIA EMAIL

The Honourable Chrystia Freeland, P.C., M.P.
Minister of Finance
chrystia.freeland@canada.ca

Dear Minister Freeland,

Re: Canada Emergency Wage Subsidy top-up for hardest hit sectors

I am writing today to bring attention to a pitfall in the Canada Emergency Wage Subsidy (CEWS) extension for the hardest hit sectors during COVID-19.

Budget 2021 proposes an extension and simultaneous wind down in the CEWS program. For many companies and industries, this wind down makes sense, but for workers in the hardest hit sectors – such as air transportation – the CEWS wind down will put their connections to their jobs at risk.

We expect that air transportation will start to pick up as the vaccination rate increases, but travel, particularly international travel, will take time to reach pre-pandemic traffic levels. For example, commercial civil aircraft movements in Canada remained nearly 40% below pre-pandemic levels in March 2021. International aircraft movements were 85% below pre-pandemic levels in April of this year. By these numbers alone, it is obvious workers in this sector face a longer road to recovery.

The CEWS has done a good job of keeping many people employed and many others connected to their employer by preventing lay-off and facilitating inactive employment or furlough. It would be a shame for that hard work to go to waste in the eleventh hour.

There are many furloughed workers in the hardest hit sectors that will not be back to work by the time the CEWS ends as proposed in your latest budget. The longer the international travel restrictions continue, the longer it will be before many of our members in the air transportation industry go back to work.

In order to keep these people connected to their employer and ensure they return to their pre-pandemic employment, Unifor recommends the following:

1. Extend the CEWS until December 31, 2021 for the hardest hit sectors with \$595 in support per week for furloughed workers; and

2. Increase the CEWS top-up rate for the hardest hit sectors with significant, persistent revenue decline to return the subsidy to 75%.

The [recent media report](#) that Air Canada arranged special bonuses for executives even as it was negotiating government support is very disappointing, but not surprising. Unifor has been calling for strong conditions on corporate support since the early days of the pandemic. It is clear corporations need strong conditions to ensure they do the right thing. To that end, Unifor recommends that government:

3. Apply the CEWS executive compensation rule for publicly-traded companies to the entire 2021 year, not just after June 5.

My team and I would be pleased to discuss this issue with you further at any time.

Sincerely,

A handwritten signature in black ink that reads "Jerry Dias". The signature is written in a cursive style with a large initial "J" and "D".

Jerry Dias
National President, Unifor

JD/klcpe343