

August 26, 2020

The Honourable Minister Patty Hajdu, Federal Minister of Health  
The Honourable Minister Marc Garneau, Minister of Transportation  
The Honourable Minister Chrystia Freeland, Deputy Prime Minister and Minister of Finance

**RE: Urgent action needed to avoid collapse of air transportation industry**

Dear Ministers:

Unifor represents 20% of Canada's 75,000 air transportation workers. Our members work in every sub-sector of the industry and include pilots, customer service representatives, air traffic controllers, flight service specialists, aircraft mechanics, airport workers, and flight attendants. They transport both people and cargo to domestic and international locations throughout the world. We've learned a lot since the COVID-19 related travel restrictions were put in place.

All of us are gravely concerned about the future of the air transportation industry. As you know, the novel coronavirus pandemic halted air travel globally when nearly every country closed its borders as the virus spread around the world.

This has created an unprecedented drop in economic activity in the industry. GDP created by the air transportation industry fell by 96% in May, reaching only \$300 million. Domestic and international aircraft movements have declined 72% and 90% respectively. Virtually every company that moves people by air has severely limited operations. Tens of thousands of workers have been laid off; their return to work grows more uncertain by the day.

As the pandemic continues, Unifor recommends a two-pronged approach to support the air transportation industry:

- develop an industry specific corporate support package to protect airlines from bankruptcy and return the industry to full operational capacity as soon as it is safe to do so;
- prudently and safely adapt travel restrictions to reflect current scientific information regarding the safety of air travel and the ability of numerous countries to control the spread of the novel coronavirus.

**Prudently and Safely Adapt Travel Restrictions – Canada needs a Plan**

Canada needs a plan to prudently and safely open borders. Without one, workers and employers are being left in the dark. In the last two months, many countries around the world have begun to slowly and safely reopen borders to travel from residents of certain countries. Travel restrictions have been adapted based on current scientific information on the virus, the safety of air travel as new protocols are

committed to and put in place and states have proved they can suppress transmission through social distancing protocols, hand-washing and sanitizing routines, and the use of personal protective equipment (PPE).

Some countries have begun to apply an updated, rigorous and robust approach to applying and adapting travel restriction. Our research shows that four approaches or combination of approaches have been implemented:

- Safe Travel Bubbles between countries in close proximity including the EU Safe List (at least four countries are participating), and the China-South Korea Bubble;
- Temperature checks and confirmation of a negative COVID test in the last 12-72 hours upon arrival. This path has been implemented in the UAE, Taiwan, China and numerous countries in the Caribbean and Latin America;
- Rapid test upon arrival. Countries implementing this procedure include Germany (at Frankfurt and Munich Airports), the United Arab Emirates, Thailand and Barbados.
- No quarantine or negative test result required to enter the country for travellers from Canada. Countries include:
  - France, Greece, Germany, Czech Republic, Denmark, Latvia, Lithuania, Portugal, Spain, Poland, Switzerland, Sweden, Romania and Malta.

It's clear that Canada needs a plan. As we stated in our submission to the Minister of Transport on July 10<sup>th</sup>, the Canadian government must form a plan outlining clear criteria for establishing conditions for a safe country relationship and the system to be put in place when a country meets that criteria. Canada's Flight Plan for Safe Travel was an important step in boosting the public's knowledge of the safety measures put in place for travel, but it is only the first step. The people of Canada need to know how the government plans to reopen borders, safely so that people can see their families again, escape the winter for a week if possible or have the hope that there will be travel in the future.

That plan should include a combination of the following:

- Developing travel bubbles with safe countries, no quarantine required;
- Proof of a negative test prior to departure or a test on arrival;
- Reminders of social distancing, hand-washing and PPE requirements at all times to mitigate the false sense of security that comes with a negative test;
- Constant vigilance and updating based on new information.

### **Implement an Industry Specific Corporate Support Package**

Even with the prudent adapting of travel restrictions the air transportation industry will be operating below capacity for the foreseeable future. The International Air Transportation Association estimates a return to 2019 levels of passenger traffic will not be achieved until 2024.

The two programs designed to help large corporations through this crisis, the Large Employer Emergency Financing Facility (LEEFF) and the Canada Emergency Wage Subsidy (CEWS) are not up to the task of saving the industry. As a result, the LEEFF has gone virtually unutilized.

- A comprehensive, targeted industry support package must include: a long-term, low interest rate, customized loan program for the industry. This is differentiated from the LEEFF and CEWS and recognizes the long-term effects of the pandemic and public health measures on the aviation industries;
- Strong enforceable conditions on any corporate rescue package in the airline industry to ensure the industry is preserved, and benefits flow to workers, not executives and shareholders. Conditions should include:
  - Repayable loans or cash through equity financing;
  - Establish job guarantees and restrict wage reductions for hourly and salaried employees;
  - Restrict dividend payments and executive compensation;
  - Require an environmental sustainability plan;
  - Protect pension funds;
  - Require union neutrality clauses;
  - Require Canadian content and investment in productive capacity in Canada.
- A new and improved wage subsidy program that meets workers' needs. The CEWS continues to be underutilized and changes will actually discourage its use. Unifor recommends:
  - Return to 75% income replacement rate for aviation industry participants and supplementary payroll support for industries with a large proportion of workers on layoff;
  - Ensure the 75% replacement rate is sustained for workers currently on furlough;
  - Include health premiums, pension contributions and other non-taxable benefits in the definition of eligible remuneration;
  - Co-ordinate with provincial governments to alleviate or refund statutory employer health taxes and workers' compensation premiums for employees on paid leave;
  - Allow employers to use projected revenue shortfalls and apply for the CEWS claim period in advance.

### **Working Group**

We recognize that these are complicated circumstances. Complex circumstances require intricate and robust solutions. We are interested and available to work together to develop a plan and solutions that work for the industry, for workers and for the Canadian public. The group should include worker representatives, employer representatives and take into account the most up-to-date health information at the time.

We look forward to working with you to develop a comprehensive plan for the air transportation industry to ensure the industry is viable and ready to serve the interests of the people of Canada.

Sincerely,



**JERRY DIAS**  
**NATIONAL PRESIDENT**

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