



COVID-19 UPDATE



March 23, 2020

To: Right Honourable Justin Trudeau, Prime Minister

Honourable Bill Morneau, Minister of Finance

Honourable Marc Garneau, Minister of Transport

Honourable Navdeep Bains, Minister of Innovation, Science and Industry

Honourable Mélanie Joly, Minister of Economic Development and Official Languages

Honourable Andrew Scheer, Leader of the Conservative Party of Canada

Honourable Jagmeet Singh, Leader of the Federal New Democratic Party

Honourable Yves-Fancois Blanchet, Leader of the Bloc Quebecois

Honourable Elizabeth May, Parliamentary Leader to the Green Party of Canada

Subject: Unifor calls on Parliament to Prioritize Workers in any relief package

Dear Member of Parliament,

I am writing to you today to ensure your attention is focused on workers' needs in any financial aid package you consider for the air transportation industry during or after this time of crisis.

The health and economic impacts of COVID-19 are severe and becoming more substantial by the day. Workers in our industry face substantial short and long-term consequences as the efforts to contain the virus intensify around the world and air travel is significantly diminished or even suspended. This is due to government mandated travel restrictions that will reduce the transmission of the virus between countries.

The call for government investment in the air transportation industry began in earnest last week as airlines and airports started to reckon with the current circumstances and uncertain timing of a return to air travel.

Unfortunately, instead of looking to current government programs, such as work-sharing, or current best-practice including voluntary lay-off, vacation use and banked time pay-out, our airline industry moved directly to delivering thousands of lay-off notices and calls for bailouts.

As you consider a financial aid package for the air transportation industry, we implore you to keep workers needs in mind. Any financial aid package delivered to any industry, including air travel must be accompanied by strong, enforceable conditions that ensure financial aid is tied to maintaining income for current employees, creating employment, and not delivered into the hands of executives through bonuses. Further, federal aid conditions must make plain that service and call centre activity remain in Canada.

At a minimum, conditions must ensure:

- Government has an equity stake in any enterprise that receives support.
- Employers receiving aid will guarantee employment during this time, options for training and professional development should be offered.
- Strict limits on executive compensation.
- Guarantees that service and call centre operations remain in Canada for the long-term.
- Investments in capital equipment and machinery are linked to local economic development criteria, including domestic material content, labour content and local preferential hiring agreements (e.g. community benefit agreements).

Any public stimulus program must void any conditions set by free trade and investment agreements that prohibit governments from procuring equipment and services that place Canadian firms ahead of others as governments are exempt from these clauses during states of emergency. We need to maximize the long-term value of government stimulus by ensuring as many Canadians benefit from it as possible.

Airline workers are on the front-lines of protecting the Country against the spread of COVID-19. Customer service agents have been made responsible for refusing entry to anyone who presents with symptoms of the virus – even as we know many people who have been infected do not show any symptoms at all. Customer service agents and flight attendants are touching bags and identification, they are serving meals and handling credit cards. Social distancing is an impossibility for these workers.

Operations at many airlines provide an essential service to northern communities. These airlines must continue to operate even as demand for their passenger services has significantly dropped. Any aid package must give specific consideration to these companies, ensuring they can continue to provide the wages and benefits provided for in collective agreements and employment contracts.

The impact of our response to COVID-19 and the economic fallout will likely exceed the long-term impact of the 2008-09 recession. During that crisis, government provided substantial investment into the air transportation industry. Shareholders and executives may have recovered their losses, but workers have not. Since 2008, average real wages in the industry have fallen by 7%, and average unit labour costs by 19% even as productivity increased substantially (+36%).

In addition to the items listed above, government must also make important improvements in the Employment System now in order to provide assistance to workers who have already experienced layoff. Changes include:

- Increase the EI income replacement amount to 80%.
- Waive the one-week waiting period for regular Employment Insurance benefits and temporarily eliminate the qualifying hours needed to access benefits

Our goal is to see the industry return to economic health and prosperity. That health and prosperity cannot be realized if workers continue to be left worse off while executives and shareholders increase their gains.

Politicians and policy makers are currently making decisions whose impact will be felt long into the future. Now is the time to turn our heads towards creating a more just and equitable future by ensuring workers are not cut off from the benefits of the important decisions being made. Air transportation workers across the country must be counted as partners that will return the industry to financial health and they want to ensure equal reward for their efforts.

Sincerely,

JERRY DIAS

NATIONAL PRESIDENT