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Air Canada comments on decision by Minister of Labour

Company available to begin mitigation discussions with unions immediately

MONTREAL, July 25 /CNW Telbec/ - Air Canada provides the following comment in response to the decision today by the Minister of Labour to decline Air Canada's request to waive the application of Division 9 under the Canada Labour Code to the company's layoffs in certain of the CAW, CUPE and IAM bargaining units:

Air Canada will comply with the Minister's decision and the company is available on an immediate basis to sit down with its unions to continue mitigation discussions, as has been the case for the past several weeks. Indeed, despite the objections filed by certain unions, Air Canada has held talks with unions representing all affected employees since the capacity reductions were announced. The company hopes that with today's decision, talks centred on practical mitigation measures can continue and that the debates over procedure will not be the focus of attention.

It has always been the company's objective to proceed with mitigation discussions as quickly as possible for the sake of affected employees. The only question was whether those talks take place within the framework of the company's collective agreements with its unions or the Labour Code.

The labour code sets out a process for implementing layoffs of more than 50 people and that process does permit employers to seek exemptions from certain aspects of the act. Air Canada requested a waiver from the Labour Code process because the Air Canada Collective Agreements contain provisions for mitigation in these situations. It was Air Canada's view that they meet the standard set out in the Labour Code for a waiver from the Labour Code process: namely, that they are substantially the same or to the same effect as the Labour Code provisions.

In the company's view, and as the law permits, the parties did not need to avail themselves of the process provided by the Canada Labour Code, which is intended for employees and employers who have no comparable existing structure to deal with layoffs and mitigation measures.

On June 17, 2008, Air Canada announced a reduction in capacity of seven per cent in response to record high fuel prices. The reduction in flying will require fewer employees to operate the airline, resulting in a decrease of up to 2,000 positions across all levels of the organization, effective November 1, 2008. The process mandated by the labour code does not impact the effective date of these staff reductions.

For further information:

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