



AIR CANADA

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Air Canada Files Unfair Labour Practice Complaint Against CUPE

MONTREAL, Oct. 13, 2011 /CNW Telbec/ - Air Canada said today that it has filed an unfair labour practice against the Canadian Union of Public Employees (CUPE), the union representing the airline's 6,800 flight attendants.

Air Canada and CUPE have been engaged in collective bargaining under the provisions of the *Canada Labour Code* (the "*Code*") since April 2011. Since that time, two tentative agreements were reached with CUPE's bargaining committee on August 1, 2011 and on September 20, 2011, and despite unanimous endorsements by the committee, both tentative agreements were rejected by CUPE membership.

It is Air Canada's position that the last tentative agreement reached on September 20, 2011 was rejected by CUPE membership as a result of CUPE's bad faith conduct during the bargaining process by:

- (a) presenting modified demands at the bargaining table which added costs to their initial proposal and which widened the issues in dispute rather than narrowing them;
- (b) tabling demands that it portrayed to Air Canada as being sufficient to meet its membership's demands;
- (c) representing to Air Canada that it knew what its membership's demands were in order to obtain successful ratification of a new collective agreement; and
- (d) failing to deploy all necessary efforts, as represented to Air Canada, to obtain ratification of the last tentative agreement.

The airline is seeking an order declaring that CUPE failed to bargain in good faith contrary to its obligations under section 50(a) of the *Code* and seeking damages to compensate Air Canada for losses incurred as a result of CUPE's actions.

On October 12th, Air Canada and CUPE received notice that the Minister of Labour, the Hon. Lisa Raitt, has asked the Canada Industrial Relations Board (CIRB), under Section 87.4 of the Canada Labour Code, to determine the rights and obligations of the employer, the union and the employees to continue the supply of services in the event of a strike. As a result of this CIRB referral, CUPE cannot commence a legal strike at least until this matter has been decided by the CIRB.

In the meantime, it remains business as usual at Air Canada and all flights will continue to operate as scheduled.

FORWARD-LOOKING INFORMATION

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