

# The Real Story On Air Canada CCAA and What Took Place!

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In light of Air Canada's recent press release about the CCAA plan and the Air Canada Public Participation Act (ACPPA), the IAMAW thought it might be helpful to inform the membership about some of the features of the CCAA process and plan. Here are some details:

The Plan included "a new corporate structure", which is described in the related Circular as follows:

"The new business plan contemplates a new corporate structure with the various business segments within the Air Canada group being established as stand-alone entities. It is anticipated that this will permit each such business segment to be developed to its fullest individual potential, pursuing, where appropriate, third party sources of business. In addition to Jazz and Destina.ca which are already established as stand-alone businesses, the main businesses to be established as separate stand-alone businesses or limited partnerships include Technical Services, Cargo and Groundhandling."

Neither the CCAA Plan, nor the business plan as described in related documents, sets out any plan for the disposal of its controlling interest in any of what are described throughout as the new "Air Canada Business Partnerships".

The purpose of the corporate reorganization was to enable certain key businesses, including Cargo, Groundhandling and Technical Services, "to better compete for third party business and generate value for their stakeholders as stated above".

All IAMAW members in the new Technical Services business unit remained Air Canada employees on exit from CCAA. The plan saw Union members at Air Canada give up \$200M per year worth of concessions to help Air Canada avoid liquidation.

At that time we were informed by Air Canada that they would never relinquish control over any of the Air Canada business units mentioned above.

As part of an all-union agreement that saw the Unions receive some recovery for debts owed to their members and for the changes to the collective agreements, the Unions agreed to the Plan. In a

liquidation scenario unsecured creditors such as employees would have received nothing. The Unions were not involved in the design of the Plan.

Since the CCAA Plan, the Cargo and Groundhandling units have since been reabsorbed into Air Canada, without upsetting the Plan.

As of today we all know what has transpired. Air Canada got greedier, and as a result we are left to clean up the mess and deal with the low morale of the members who are being asked to move over to AVEOS knowing that their jobs will likely leave this country to Aeroman in El Salvador.

Now you know the rest of the story!