

IN THE MATTER OF AN ARBITRATION

B E T W E E N :

AIR CANADA

- and -

AVEOS

- and -

IAMAW

MARTIN TEPLITSKY, Q.C.
Arbitrator

APPEARANCES:

On behalf of Air Canada: Fred Headon
Rachelle Henderson
Scott Morey

On behalf of AVEOS: Ron MacRobie
Frank Szemenyei
Pascal Rochefort

On behalf of IAMAW: Jim Hayes
Fred Hospes

Held on April 13, 2011

The Union seeks an extension of the dates for completion of the option selection forms and for transition. These are respectively April 15, 2011 and July 14, 2011. In the Union's submission these dates need to be extended because employees have not had sufficient information in a timely way to make informed choices.

The employers' submission is that I lack jurisdiction to change these dates because my jurisdiction is limited to issues of implementation which do not include changing the MOU entered into by the parties from which these dates are derived. In any event, the employers submit these dates form part of the CIRB's several decisions and I lack jurisdiction to vary a decision of the CIRB.

I confess to an initial attraction to the employers' submissions on jurisdiction. However, after hearing Mr. Hayes' response, I am left in some doubt about this matter. Urgency prevents my being able to render a considered opinion . In any event, because I have reached a firm conclusion on the merits of the Union's position, the issue of jurisdiction need not be dealt with.

The Union submits that the purpose of the 74 days from the date of the CIRB's order was to permit sufficient time for employees to make informed choices in completing the option selection form. I do not doubt that the parties intended, although they did not give written expression to this intention in their memorandum of agreement, that the transition committee would resolve all outstanding issues by the date of the CIRB order which turned out to be January 31, 2011. On that date, the parties would "hit the ground running" with relevant information for employees.

In fact, on February 1, 2011, there were still outstanding issues. The parties, with the assistance of Bruce Light, worked to resolve outstanding matters. On some occasions, I was required to issue awards. The employers also provided a "pension hot line". The respective web sites are replete with answers to questions, flow charts and relevant data. Of course, the memorandum of agreement, which sets out the transition options was available to employees for

over two years. Union representatives and labour relations staff also assisted in answering questions.

No process is ever perfect. Clearly, in a perfect world, more might have been done in a more timely way. However, in my judgment, based on the evidence, and having been both a participant and an observer of the process, I am fully satisfied that the herculean efforts of the Union and the employers, assisted by Bruce Light, resulted in a process which provided ample, timely information sufficient to permit informed decision-making. No employee has been prejudiced.

Accordingly, there is no need to extend the contractual dates and no useful purpose would be served by an extension.

Mr. Hayes raised a number of Union concerns. These included possible prejudice from mid-month retirement; secondment questions and moving reimbursement policy for Trenton employees.

There was no disagreement that these matters are within my jurisdiction and will be determined by me, if it becomes necessary to do so. Of course, I expect the transition committee to continue its efforts with Bruce Light's assistance to resolve any problems.

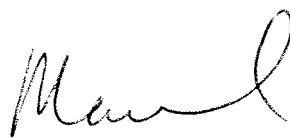
I add at this point two observations. First, issues of secondment do not impact job security. Second, post-retirement benefits including travel, depend on company service and are not displaced if sufficient company service exists notwithstanding an employee may not qualify for a pension.

The Union sought additional head count data including vacancies. The employer will provide this as soon as possible on the basis that the information is confidential and must not be shared except with employees who must be advised that the information must not be disclosed to

others. This additional information is not necessary for the option selection form.

I thank all counsel for their helpful briefs and oral submissions. Considering the relatively short period to prepare, their efforts are truly impressive.

DATED the 13th day of April, 2011.

A handwritten signature in cursive script, appearing to read "Martin Teplitsky".

MARTIN TEPLITSKY, Q.C.
Arbitrator