

THE SNAG SHEET

MONTHLY NEWSLETTER OF CANADIAN
AIRWAYS LODGE 764

Dec 2008



International Association
of Machinists and
Aerospace Workers
Representing Air Transport
Workers in
British Columbia and the
Yukon



President's Message

As each of us notches another year of service under our belts in the airline industry, we never tire of the glamour and prestige of working for world renowned airlines and MROs. We are humbled by the glory and adulation heaped upon us by our employers and the limitless benevolence and leadership they shower upon us shift in and shift out. Some of us even dare to openly tell people who we work for when asked. Oh, sorry, wrong job. 2008 like too many of the years before it has been a very tumultuous and eventful year for our members here in YVR.

Our members at United Airlines ratified a new collective agreement in August and were asked to shoulder the burden of layoffs and staff reductions before the ink was even dry. They have been successful in mitigating most of the reductions and targeting the job losses toward those who wished to leave.

MTU has seen a number of recalls early this year that have exhausted their recall lists putting them in a position to hire off the street if a long delayed and hoped for USAF engine overhaul contract materializes in 2009. They are anxiously awaiting the inauguration of the new American government in the hopes that it will finally award the contract. MTU Canada (YVR) is on the final short list of bidders being considered. I wish them good luck in securing this work. It is well deserved in a facility and a workforce that is an industry leader in both quality and turn times.

And then there are our members who work at Air Canada. What can I say? It has been another year of layoffs and recalls and more layoffs and yet more recalls reorganization and new business

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models and plans. Just another year of business as usual. Next year will bring us back to the future as Robert's once vaunted business plan of spinning off all of the money making divisions of the airline has proved to be a dismal failure for all but our senior executives and a select group of shareholders. In hindsight, that appears to have been their only objective in the first place so I guess I can't characterize it as a failure for everyone, just the employees and honest investors. We are sure to be thrust into another cycle of pleas for survival from the employer at the negotiations table.

In 2009 we will be once more onto the breach as we get ready to fight this employer for what is ours. Our jobs, our wages, our benefits, our pensions and the right to support our families with jobs in our own communities, indeed even within our own country. Our resolve and solidarity will be tested to the breaking point as we lock horns across the bargaining table to keep these things that are ours and seek the other. Our brothers and sisters at Boeing showed us in September and October that you can get only what you are willing to fight for. But you can get it.

For those of you lucky enough to have time off over the holidays, enjoy it with family and friends in the true spirit of the season. For the rest of us who have to work all or some of the Christmas season so that our customers can get to their families and loved ones I urge all of you to work safe. Safety must always be first and foremost in everything we do on every shift on every day. It requires extra attention to the tasks at hand in this month of bad weather and prolonged darkness.

On behalf of the entire executive of Local Lodge 764 I wish each and every one of you a safe and Merry Christmas and a Happy and prosperous New Year. We look forward to continuing to serve you in 2009.

Christopher Hiscock
President
Canadian Airways Lodge 764

EAP Report

EAP regional coordinators from YHZ YUL YYC YWG & YVR met in Ottawa for a national meeting Dec 1,2 2008

The EAP/IAM day-timer calendars are being handed out in Cargo ACM,AVEOS and ACGHS for 2009 along with a magnetic paper clip and a laminated business card for a wallet recognizing all the Vancouver based EAP coordinator contact numbers.

EAP pamphlet racks are being displayed at Aveos Bay 1Ops centre ACGHS gate 44 and third floor cafeteria Ops centre, east entrance past security first floor Helpful information relating to drugs, psychological information that the EAP recognize and can help.

In Solidarity

Brian Bethell, EAP regional Coordinator

Aircraft Leasing Companies

Aircraft ownership used to be the pride and joy of legacy airlines. North American and European world carriers would order hundreds of aircraft from the major manufacturers, to their own very unique specifications. Not only were these aircraft their signature in the air, but also, they were equally impressive assets that dazzled investors looking at corporate balance sheets. The fact that the gas guzzling older aircraft would become burdensome financial liabilities never entered the corporate mind set of airline executives in the 1960's.

In the 1970's, the sweet days of cheap oil soured.

In response, many legacy carriers, asset rich with aircraft, but cash-strapped to pay mounting fuel bills, re-thought the wisdom of locking up so much corporate capital into a depreciating asset like an airplane, for twenty-five years or more.

Legacy carrier financial officers were looking for solutions, and into this empty vacuum of carrier cash flow concerns

flowed the aircraft leasing companies. These companies included International Flight Leasing (IFLC) Corporation (an arm of the American insurance conglomerate AIG, recently rescued at American taxpayer expense by the Bush Republicans) and General Electric Capital Aviation Service (GECAS), now two of the top players in the aircraft leasing industry globally.

The leasing companies would buy aircraft from Boeing and Airbus, and offer to rent them to major carriers. The carriers immediately saved the cost for new aircraft acquisition. Instead of locking up their money for twenty-five years on a depreciating asset, the airlines spent a small amount of cash as monthly rent for aircraft acquisition and fleet renewal, and used the remainder of that capital to pursue other opportunities. Many airlines used that capital to buy hotel chains to capture more tourist dollars.

For its services, the leasing company got a steady rental revenue stream for the contracted term and a double tax break. Rented aircraft usually command a twelve (12%) percent premium over the investment cost when leased. Further tax breaks accrue to the leasing company from the annual depreciation write-down on the aircraft over the twenty-five years of expected usable life, plus an additional deduction for annual interest charges paid to the manufacturer, to finance the original aircraft purchase.

The cash-strapped legacy carriers now had money in the bank to finance new routes and lease extra aircraft when opportunity knocked, or could, if the contract allowed, return excess aircraft to the lessor in a slow period without penalty.

The aircraft leasing companies also created another revolution for the airline industry – they bought aircraft to **their** specifications. Lease company aircraft now had “cookie-cutter commonality” for cabin layouts, galleys, and cockpit controls. These aircraft could be immediately used by a wide number of airlines, and readily swapped between carriers world-wide as summer and winter passenger demand fluctuated. Airlines also benefited from considerably reduced pilot and cabin crew training costs.

The profitability from leased aircraft not only attracted Boeing, IFLC and GECAS, but soon, other big corporate names like Walt Disney, investment bank Morgan Stanley, insurer John

Hancock, manufacturers Whirlpool and Pitney-Bowes, and the Wells-Fargo Bank (WFBU) of Utah (which bought the ZIP fleet), entered the leased aircraft market to fatten up their corporate revenues.

The bonanza in leased aircraft financing started to evaporate after the terrorist attacks of September 2001. The dramatic drop in airline travel after the attacks forced major carriers to reduce their fleet sizes, and suddenly, many leased aircraft were abruptly consigned to the dusty runways and aprons, or aircraft storage yards, in the deserts of California, Nevada, and New Mexico. The leasing corporations found themselves with too many aircraft available for lease, chasing too few customers.

Some of the major airlines began hemorrhaging cash flow under crushing debt loads (United, Swissair, USAir, merged Air Canada) and were approaching their lessors for a fifty percent cut in lease rates, or more. From bad to worse for the lessors, other major carriers, not yet in major financial difficulty, witnessed their troubled competitors getting huge reductions in aircraft rental fees, and demanded the same consideration, in order to remain competitive.

As the profit situation worsened for all the major carriers, the bonanza of leased aircraft financing for the investors collapsed. Major corporations started to take multi-million dollar write-downs on their leased aircraft portfolios as leasing opportunities evaporated. Some corporations, with older model 737 and 757 aircraft on their books, discovered that they had as much chance of finding a lessor in the aviation market, as a contingent passenger had of finding a vacant seat on a flight to Hawaii during Christmas.

One of the exceptions to the older aircraft circumstance has been British Columbia-based Kelowna Flightcraft (KF), which has done well with leased B727's converted for cargo to Purolator, and, until recently, high density seating B727's leased to small American charter carriers (Champion Air went bankrupt this summer).

Undaunted, KF bought two used converted DC10-30F freighters in October 2008 from DAS Air Cargo Holland, for lease to Purolator to expand its cargo capacity in Canada. These aircraft are in Canadian skies now.

One of the other hazards for aircraft leasing companies is airline bankruptcy. Smaller airlines operating on thin margins suddenly find themselves in a cash flow squeeze and unable to pay their bills. Courts of law in several jurisdictions have allowed fuelling companies and airport authorities to seize leased aircraft as collateral against unpaid bills. Suddenly, leasing companies find that they cannot get their asset back.

The Manchester Airport Authority placed airport vehicles behind the parked aircraft of failed European charter carrier Excel in November 2008, to prevent the aircraft from leaving British airspace, until the airport debts were legally secured.

As a different example, Zoom Airlines, which collapsed in October 2008, had one of its leased aircraft seized by the leasing company upon landing in Calgary for non-payment of rent. The aircraft was re-registered overnight with a new foreign number, and was flown away the next day to avoid Canadian litigation.

Some unlucky (or unattentive) leasing companies now have available aircraft doing nothing, tied up in lengthy legal processes arising from airline insolvency, because the bankruptcy and ownership laws applicable to leased aircraft have not been made uniform in the law courts worldwide.

Today, the market for leased aircraft has dramatically changed. Many corporations that gambled on leasing older aircraft have taken major financial write-downs on their balance sheets, swallowed their financial punishment, and left the business. Several of the biggest players (IFLC, Boeing and GECAS) now only have aircraft in their inventories that are in demand (B767-300's, A320's and A330's, newer MD80's and B777's). IFLC has even achieved the financial clout to enable it to dictate specifications to the aircraft manufacturers on what type of aircraft to build. That clout was displayed in 2007 when IFLC rejected the initial A350XWB design from Airbus and sent the whole project back to the drawing board for better operating economics.

Aircraft leasing is now a permanent part of the airline business. There is economic and tax advantage in this type of arrangement for both the renter and the lessor. However, the rental trend amongst legacy carriers is a dark cloud for workers.

Airline companies are moving away from owning assets. Sell-offs of airline divisions has increased in the last decade, and rentals and sub-contracting of all kinds have multiplied. One of the newest players in the sub-contracting arena are the expanding airport authorities, who now offer the airlines common-use counters and computer technology, baggage sortation services, aircraft de-icing, and management of the security processes.

Air Canada is slowly moving towards the American Airlines model, where the corporation handles information technology and bookings, owns few physical assets (like aircraft or hangars), and its subsidiaries rent everything else and supply services to "the airline". This could be seen as "preparation in part forthcoming" in global aviation

Global aviation will eventually become a multi-national conglomerate that will coordinate the operation of the various legacy carriers. Most of the legacy carriers of the world are part way there already, having joined "alliances", and having agreed to share global costs on passenger handling, airport lounges, maintenance, and aircraft purchases. The "alliances" will gradually evolve into mass global conglomerates (potentially three), operating from large "transfer stations" (airport hubs), producing huge cost savings for the member carriers, but marginal benefit for those carrier's now far fewer employees.

I regret that this article does not make for a very cheery view at Christmas. Also, sadly, the recent rejection of the Local Lodge dues amendment means that the printed version of the Snagsheet may have to stop publication after this issue. Hopefully, the on-line version provided on the LL764 Website will remain available to you in the New Year.

So to end on a more positive note, I would like to thank all those faithful Snagsheet readers who have responded to these articles with e-mails of encouragement, notes of historical correction, helpful hints, friendly comments, and pats on the back, for an article well researched and written.

Response to these articles is one of the nicer Christmas presents for me.

Merry Christmas and Happy New Year to everyone!
David Varnes, ST LL764 and Chair, History Committee

AIRPORTS / CARGO REPORT**DECEMBER 10, 2008****Cabins**

The nominations sheet for 2009 Shop Stewards was ripped off the Union bulletin board. We have reposted another one.

Cargo

The winter shift bid took effect December 08.

The summer shift bid is forecast to take effect May 24, 2009.

Vacation bidding will be completed by the end of this week.

Promos

There is a Promotional Bulletin out for Trainer Level 1 in YVR that closes on Dec. 26.

There is a GIC out for an Instructor GSE in YVR that closes on Dec. 25.

The Shop Committee will be filing a grievance with regards to Promos for Gate Planners that are posted for YYZ and YUL but not YVR.

Ramp

Vacation bid times have been posted on the Local Lodge 764 web site. Thanks go out to Brother Gord Taylor who manages to keep it as up to date as possible given that the Company seems to revise the list daily.

The LSA vacation bids will be completed this week.

The Full Time and Part Time SA first round bids will start next week, and be completed in January. If anyone is looking for vacation time in January please provide a memo stating which week as well as what choice you are willing to give up prior to Dec. 19.

Retirements September and October 2008

Cal Cates, Station Attendant – Ramp 35 years.

Pete Cowan, Station Attendant – Ramp 25 years.

Chris Dunbar, Station Attendant – Ramp 43 years.

Rob Howes, Lead Station Attendant – 30 years

Dennis Mathews, Station Attendant – 40 years.

Dennis Sheck, Station Attendant – 40 years.

George Torres, Station Attendant – 38 years.

Dan Willis, Station Attendant – 27 years.

The Shop Committee would like to thank Brother Hank Larson who organized a party for these as well as previous retiree's a few weeks ago.

Shop Stewards

Nominations closed last week, we will be compiling the list for 2009 shortly, if there are any other interested people please call the office.

Shop Stewards are reminded to take accurate notes so the Shop Committee can proceed with any type of appeal.

Thank You

The Shop Committee would like to thank the Shop Stewards for their assistance in 2008.

The Shop Committee would also like to thank all the other individuals that assisted with the building and bidding of shifts and vacations in all areas.

Respectfully submitted,
Kevin Cox, Chair Craig Chard, Member

Tech-Ops Report

December 9, 2008

Information Issues:

Arbitration Hearings: The last arbitration hearing for 2008 with Chief Arbitrator Martin Teplitsky was December 8th, 2008 in Toronto. The Shop Committee was not in attendance due to the cost cutting measures by the Local Lodge Executive.

UMCM Meeting: The last UMCM Meeting for 2008 was held on December 1st to 3rd, 2008 in Montreal. The Shop Committee was not in attendance due to the cost cutting measures by the Local Lodge Executive.

Heavy Maintenance 2009 Vacations: The Shop Committee along with Local Heavy Maintenance Shop Stewards have commenced discussions with Local Heavy Maintenance Management pertaining to 2009 Vacation Agreements for all Categories working within the Heavy Maintenance Formation. The Shop Committee will advise the Membership as information becomes available.

Line Maintenance 2009 Vacations: The Shop Committee along with District Lodge 140 participated in a conference call with Chief Arbitrator Martin Teplitsky regarding the Company's continued implementation of the 2009 Vacation Bid process for Categories 1, 19 & 38. The Shop Committee is continuing local discussions with the desire of reaching local Agreements for the remaining categories/classifications working within the Line Maintenance Formation. The remaining Categories and Classifications will be advised as more information becomes available as the Shop Committee continues this process.

Stores Shift Agreement: The Shop Committee along with Local Shop Stewards and Stores Management met on November 13th, 2008 to discuss Stockkeeper shifts to support

Air Canada's and Aveos's operations at the Vancouver Base. The intent is to have an agreed upon shift ready to implement if and when the separation between Aveos and Air Canada occurs.

LOU #4 Above Basic Selection Process: The Membership is reminded to ensure that they have reviewed LOU #4 of the Collective Agreement prior to submitting an application to a Promotional/Vacancy Notice. Recently, several vacancies/positions have been cancelled as a result of applicants not meeting the terms of this Letter of Understanding. Any Member that has a concern is recommended to contact the Shop Committee office for assistance. In addition, please ensure that the Tech Ops Shop Committee receives a faxed copy of their application. The Tech Ops Shop Committee Office fax number is (604) 273-0896.

YVR Base Recalls: The Company is still in the process of temporarily recalling Category 1 mechanics to be utilized as Category 38 mechanics working within the Heavy Maintenance Formation. The Company has indicated that the effective recall will conclude on March 19th, 2009. Any Member submitting a request should ensure that the Tech Ops Shop Committee receives a faxed copy. The Tech Ops Shop Committee Office fax number is (604) 273-0896.

Introduction of New Classification: The Union and the Company have agreed to a Memorandum of Agreement for the introduction of new Classification into the Collective Agreement. The position is Technical Instructor- Automotive Ground Support Equipment. The Company has posted a General Information Circular (GIC) advising the Membership of this new position. Interested individuals to this new position are recommended to review and follow the directions on the posting. Submissions to this position must be submitted using the ACF74 form. The Tech Ops Shop Committee Office fax number is (604) 273-0896.

2009 Shop Steward Nominations and Elections: The 2009 Shop Steward Nomination process has closed. The Shop

Committee is in the process of reviewing the forms. Once this review is complete, the Shop Committee will mail out the 2009 Shop Steward Packages.

Tech Ops Retirements: The Shop Committee would like to congratulate the following Members; Alex Kwong, Category 1, retired on December 1st, 2008 and Marie Guitard Belange, Category 13, retired on December 1st, 2008. The Shop Committee would like to wish them a long and healthy retirement. The Shop Committee would like to request the assistance of all Shop Stewards in notifying the Shop Committee of any Member considering retirement.

Thank You: The Shop Committee would like to thank the 2008 Shop Stewards and those individuals that assisted the Shop Committee for their outstanding dedication and commitment to represent the Membership.

Merry Christmas & Happy New Year: The Shop Committee would like to wish the Local Lodge Executive Board, the Shop Stewards and the Membership a very Merry Christmas and a prosperous New Year.

In Solidarity,

Joe Toth, L/L 764, Tech Ops Chair
Glenn Cooper, L/L 764, Tech Ops Member
Glenn Girard, L/L 764, Tech Ops Member

MTU-C Steward's Report

December 9, 2008

Grievance Status

Policy Complaints

Article 5 – Mandatory O/T
Article 10 – Perf. Asses. (DL 140)

Personal/Group Grievances

Denial Neg. time bank (step two)
Removal as Lead (resolved)
Discipline Stores (step two)
Denial of recall (step two)
Rescinded recall (step one)
Failure to recall (step one)

Members are reminded to review the Bulletin posted on October 28, 2008 regarding Performance Management Appraisals. Members are also reminded that if they are requested to attend such meetings they should request a shop steward to be present. Furthermore Members are discouraged from signing or vocalizing anything pertaining to this process.

Once again members are reminded to refresh themselves with Article 18.07 regarding vacation selection. Mistakes continue to be made during the selection process.

Thank you to those individuals who applied for the Shop Steward position for 2009. It should be an interesting year.

I would like to take this opportunity to wish everyone a festive holiday as well as a Happy New Year.

In Solidarity,
Neil Carter
Senior Steward

United Airlines Report

DECEMBER, 2008 REPORT

One grievance proceeding to arbitration.

One grievance at Step Three.

One grievance at Step Two.

Elections were held for 2009 Shop Stewards. The field was larger than in the past and Thanks to everyone who participated.

The successful candidates are:

Sis. Janet Andrews

Bro. Mike Deane

Sis. Julie Gordon

Bro. Brian Kennedy

Bro. Jim Lynch

Sis. Kirsten Rathie

Sis. Laura Sharpe

Bro. Gerry Scott

Bro. Glen Stoten

Special thanks to poll captain Dave Pollard for all his hard work.

The Company still has not posted their expectations on dependability, yet continue to give out the associated letters.

One part time member has taken a temporary upgrade to backfill while supervisor Brian Bird is off on medical leave.

One temporary part time summer hire was recalled.

Wishing everyone a safe and happy holiday Season,

In Solidarity,
Janet Andrews
Senior Steward, UAL

Educator's Report

DECEMBER, 2008

What has my Union done for "ME"?

I met with my local M.L.A. in my Community (Coquitlam-Maillardville) today. Her name is Diane Thorne. Diane thought it would be to our advantage to bring the Labour Critic for the N.D.P. Chuck Puchmayr, M.L.A. for New Westminster. Chuck spoke at our Rally when we walked up Grant McConachie Way last year - Air Canada laid off some 700 mechanics and support staff. I was joined by Glenn Girard, our Shop Committee Member in the Operations Centre.

I gave a short introduction of our Aviation background and what Education is needed to get into the Aviation Industry. In the Maintenance area, a person attends school for 1-2 years, does his apprenticeship for 4 years, then writes the Government Exams. The cost to write these exams is \$500 which the student pays. It then takes another 4 years to make it to the top pay scale, 8 -10 years in total.

Air Canada/ACTS/ sent over 700 skilled trades people and support staff to the street when in British Columbia, many workplaces are screaming for skilled trades. I was looking for a way to marry up the skills of an AME'S", "M" or "E" to General Industry. I thought a "red seal" type of Provincial Certification may be a step in the right direction. Chuck was quick to inform us that the Liberals, Gordon Campbell Government, has dismantled the Program and has slowly de-skilled the Trades in British Columbia. He also supplied me with many pages on the media release dated November 26, 2008, titled, "Auditor General slams Campbell Government for failure to support Trades Training". The 60 page document went on to describe the short sightedness and arrogance of the Campbell Government in Trades Training and is now playing catch up, like they had no idea how critical this was.

We discussed other issues like out-sourcing and in-sourcing, both threats to Trades and support workers. For those not aware, out-sourcing is a 'buzz word' for businesses to say,

“Contracting Out” - just sounds warm and fuzzy, when it is really ‘a wolf in sheep’s clothing. In-sourcing is something new. Companies are using this as a tool to bring in so called ‘skilled people’ from other countries because we have no skilled people here. For example, just recently, Coast Mountain Bus Lines hired 25 Jamaican mechanics to maintain their buses, claiming there were no qualified people for them to hire.

After hearing this, we brainstormed on what jurisdiction this issue would fall under - a Federal or Provincial problem? Glenn and I agreed that it was both. Federally, we are regulated and we have to work and follow Federal Regulations but the layoffs or if we are to hire, can affect the Provincial side. What I mean by this is that when 700 people were laid off, this had immediate impacts on families and their communities.

Raymond Chan was the Liberal M.P. in Richmond and he threw his hands up and thought it was nothing to do with him. Wrong answer Raymond, this has everything to do with you and I guess the community has voiced their views. Raymond is no long M.P. in Richmond.

We talked about many situations and solutions but in the end, we realized this initial meeting was a good starting point. It would be a challenge to think up any solutions right now. We plan to meet early in the New Year to discuss these issues further.

I came away from the meeting with a great feeling of accomplishment. We are forming a bit of a template on how things get attention and how we as voters, workers and taxpayers, actually do make a difference.

I challenge coworkers and other work groups to take on an issue and meet with their M.L.A. or M.P. In Maintenance, let them know about the split to Aveos. Are they aware a facility (Taca Aeroman) is connected with Aveos in El Salvador?

At the Ramp, tell them a work story about the issues you need tending to. Last year at the YVR Ramp, our members

worked over 65,000 hours of Overtime, which equates to 32 full time jobs. I know there are many who need the Overtime, but there are many who would not mind becoming a full time employee with wages and benefits we enjoy.

In closing, I will once again ask the question, “What is the Union doing for me?”

We are trying, if not on a daily or local level, to tackle bigger issues that not only affect us now, but they will drastically change the way we live in the future.

I would like to take this opportunity now and ask you, “What have you done to help the Union’s cause or what have you done to fight your own personal battle?”

I will report back in the New Year of any progress. We all have to become more active in our community, our issues and work cooperatively with our local Unions. We are not the bad guy!

I would like to extend to you all “ Best Wishes for a Safe and Happy Holiday Season!

In Solidarity,
Wes Sim
IAM & AW
Local Lodge 764
Trustee and Educator

LL764 Pension Report

DECEMBER 2008

Unless you have been on a 3 month retreat away from civilization you are aware of the meltdown that has occurred in the international markets since September of this year. While you may not have any direct investments in stocks, bonds, mutual funds or T bills, each and every one of us have our entire pension assets invested in a variety of these instruments. The Air Canada Master Trust Fund is the amalgamated investment pool comprised of all of the assets of Air Canada's 11 pension plans.

The MTF stood at \$10.88 billion as of January 1st, 2008 and was 90% funded on what is known as a solvency trust basis meaning it had a deficit of about \$1.1 billion. There are 2 types of actuarial tests or measures done to assess the health of pension plans. The first is what is called a going concern basis. This looks at the total assets and liabilities of the plan and assumes that the company stays in business and members and the employer continue to make their regular on going contributions. On this basis, our plan is was actually in an overfunded position of \$681 million in January.

The second test is a "what if?" test. It assumes that the company ceases to exist and the pension plan had to be wound up and the money invested in private equities to try and deliver an equivalent pension benefit as the plan. This is the solvency test. Very simply put, the actuaries look at how much money is in the plan and multiply it by the 30 years government bond rate (which has been at historic lows since 2001 and is what caused our funding problems in 2003). The lower the interest rate, the more money you need to invest to achieve the same return.

That has now been compounded by a meltdown of global financial assets of every type that has not been seen since the 1930s. The deficit payments that companies have to pay each year into their pension plans are based on this shortfall. This unique situation could become a self fulfilling prophecy if

OSFI enforced the current deficit repayment rules in 2009 based on the asset losses suffered by pension plans in the last 3 months. Air Canada could see their deficit payments climb from \$400 million this year to over \$1 billion in 2009 to fund a "what if?" scenario.

All of the rumours that have swirled in the workplace in November about the Company wanting to change the rules of the pension plan are false and unfounded. Even if they cut our benefit in half it would not come close to fixing this situation. What did happen is that a group of federally regulated companies from many industries, including Air Canada, approached the government and asked for temporary relief from the funding provisions. They also asked the Unions to support them in their appeal to the government on this issue. That is what the meetings between the company and the unions were about; not changes to the pension benefits themselves.

So far, the government has granted a change in the repayment amortization period to 10 years from the currently required 5. (This is what they allowed Air Canada to do in 2003 as well). The companies are also looking to make a few other changes in the funding rules including using a different interest rate for the solvency calculations. They wish to use the AAA corporate bond rate instead of the government bond rate. There is currently a 3% difference in these 2 interest rates. With each ¼ % change in the interest rate making a difference of \$340 million to the MTF solvency, just this one change would add \$4 billion to the solvency funding of our plan and completely eliminate the deficit and then some.

Email is the most effective way to reach me. I may be contacted at pres764@telus.net with any questions or concerns that you may have.

Respectfully Submitted,

Christopher Hiscock,
Chairman, LL764 Pension Committee

764 Clerical Report

DECEMBER, 2008

One member received their layoff notice which in turn bumped another member - this person has been held back one month.

Went to a meeting in Montreal with Labour Relations, the discussion was about Seniority, Bumping, Job Qualifications, Holidays, LOA Week, Pension.

Some members wanted to know if we could buy back to 2001 and not 2005 - for the pension (no).

Some retired members wanted to know about Pension Indexing.

Some retired members wanted to know about their Retro Pay.

One outstanding grievance is still to go back to Teplitsky again (MSP).

In solidarity,

Ron McKelvie
Chief Shop Steward
764 Clerical

Unemployment Dues

Unemployment Dues – Local Lodge 764 IAMAW

Members subject to a layoff notice from the Company will no longer have their Union dues automatically deducted from salary upon their last day of work.

After 60 days of layoff, if the member does not send a cheque for Unemployment dues directly to the Union, the member is lapsed in accordance with the IAMAW constitution Article G, and no longer has voice or voting rights at Meetings. You are lapsed as a good standing member of Local Lodge 764.

A lapsed member does not lose recall rights should the Company rehire, but does lose Union continuity for service awards, and benefits advice information. Unemployment dues are \$2.00 per month, or \$24.00 a year, payable by cheque to **CAL Local Lodge 764** at 7980 River Road, Richmond BC. V6X-1X7. Members on layoff are also advised to keep the Union informed of address and telephone contact changes should they move.

Recall information will be available from the Technical Operations Shop Committee weekdays from 0700-1500 hours at (604) 270- 5600

In Solidarity
David Varnes
Secretary-Treasurer

Next General Meeting

Jan 14, 2009

5 PM

**7980 River Road
Richmond, B.C.**



WE'RE ON THE WEB!
WWW.IAM764.CA

IN MEMORIAM

THANKFULLY

NONE

Local 764 Executive Board

Chris Hiscock – President

Mike Sanghera – Vice-President

David Varnes – Secretary Treasurer

Laura Sharpe -Recording Secretary

Steve Daechsel -Trustee

Wes Sim – Trustee, Educator

Cam McDonald -Trustee

Dan Cooke – Conductor/Sentinel

Gordon Taylor – Communicator

Joe Toth - Tech-Ops Shop Chair

Kevin Cox - Airports/Cargo Shop Chair

Neil Carter – Senior Steward MTU

Janet Andrews – Senior Steward UAL

Ron McKelvie – Clerical Chief Shop Steward

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