

Dec 2009

# THE SNAG SHEET

MONTHLY NEWSLETTER OF CANADIAN  
AIRWAYS LODGE 764



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



Photo Courtesy of  
John McCreath

## President's Message

As 2009 draws to a close we look back on a year that presented a lot of challenges and some few rewards for our members and our Local.

Our members at MTU started the year with fingers crossed hoping to finally hear good news about a long awaited USAF contract. Their perseverance and patience paid off in October with the announcement that they were part of the winning consortium bid for the contract. For the first time in a long time they have a solid business plan in place to see them into the foreseeable future. Well done.

Our members at United Airlines have weathered another year of work that is life in the North American airline industry. It is tough to get motivated and care about your job when your employer's idea of long range planning is "what's for lunch on Friday? And oh yeah, about that Olympic thing, we'll get back to you on that. We hear that a few extra passengers might be coming to town."

And last but certainly not least, our members at Air Canada and it's spun off for cash entities. Where to start? Good news for our folks in Heavy Maintenance with recalls and the staffing of 3

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full lines in YVR as a testament to the high quality, on time work they produce plane after plane after plane. For those of us in Line Maintenance and the Airports world, a mixed bag of fewer but fuller flights and more work with a slowly attritioning work force.

For all of us at Air Canada; we endured the bitter disappointment of forfeited negotiations as we took backseat once again to a languishing economy, an airline that had been run for 4 years as a sort of personal ATM rather than an airline for the enrichment of persons un-named, and topped off by the perfect storm of calamity for our pension plan. The best that can be said is that we came out the other side and live to fight another day.

On behalf of the Executive of Local Lodge 764 I want to wish all of you a safe and happy holiday season. For those with vacation and time off over the Christmas and New Year's holidays, enjoy the time with your family and friends and your time away from work. For those of us working over the Christmas rush, please keep safety first and foremost in your minds and actions. Safety should always be paramount in everything you do but please be especially vigilant during this extremely busy time of year when it will be mostly dark, wet and miserable. Please ensure your safety and the safety of our passengers.

2010 promises to start with a bang as we rapidly gear up for the XXI Winter Olympics and begin the 2<sup>nd</sup> decade of the 21<sup>st</sup> century. My, how time flies when you're having a merger and a bankruptcy. That goes for both Star Alliance partners, United and Air Canada. I hope that 2010 brings both good health and fortune to all of you and your families.

Christopher Hiscock

President

Canadian Airways Lodge 764

## Mike Rygus



**IAM Mourns Retired Canadian GVP Mike Rygus**

Mike Rygus, one of the longest serving General Vice Presidents' of the [IAM in Canada](#) from 1961 to 1984, passed away at the age of 89. Rygus was born in Saskatchewan in 1920, the son of a Ukrainian immigrant farmer. He joined the IAM while working as a draftsman in the office and technical unit of Orenda Aircraft and became active in the leadership of IAM Local 1922. He held the post of Education Director in Canada where he was instrumental in developing new education programs. Rygus succeeded George P. Schollie as Canadian General Vice President in 1961.

Over the next 23 years, Rygus oversaw the greatest growth of the IAM in Canada outside of the war years. Always a keen student of the political process, Rygus led a sizeable Machinist delegation to the founding convention of the New Democratic Party in Ottawa in 1961. "He was a man of very strong union principles," remembers Louis Erlichman, whom Rygus hired as Canadian Research Director in 1978. "His legacy could be best summed up by the professionalization of the union in Canada under his guidance."

Rygus was also active as a Vice President of the Canadian Labour Congress where his interest in pensions led him to serve as chairman of the committee which developed substantial changes to the CLC pension policy. He also satisfied his interest in economics through participation as a Machinist representative on several tri-partite – business, government, labour - economic standing committees, often acting as co-chairman.

*Excerpted from the IAM Electronic Journal GOIAM I-Mail May 28, 2009*

When I became a member in good standing of the Machinists Union in October 1966, I had no idea who Mike Rygus was or what he did. Gradually, as I assumed more responsible office (Shop Committee Member Ramp 1972 and other elective offices afterwards), I got a better idea.

My first personal contact with Mike Rygus was in 1974. In February of that year, the General Chairman Western Region Vancouver Base Brother Rhys Davies, after a frustrating year with the Machinists bureaucracy, prattled publically that “perhaps” it was time for Canadians to seek autonomy from the Machinists Union. Inasmuch as Brother Davies held his office at the will and pleasure of the General Vice-President Canada (who holds his credential), Brother Rygus took considerable umbrage at this utterance, and immediately suspended the opinionated brother’s credential.

Unbeknownst to Brother Rygus, Brother Davies was well respected and vastly influential throughout the Western Region of former District Lodge 148 and elsewhere. Davies was able to rally support for a defense against the GVP Canada’s actions within District Lodge 148. The support included a legal defense fund of \$20,000, and retention of a prominent lawyer, to counteract the credential suspension by Brother Rygus. Moreover, a Special Convention of District Lodge 148 was convened in Montreal to address the suspension issue on September 17, 1974, and the GVP (who arrived without invitation), was told to wait outside the meeting hall until summoned by the delegates.

Once summoned, the GVP Canada was subjected to a long session of caustic criticism and all manner of slanderous abuse from the assembly for his lack of respect for the democratic principles and free speech espoused by the Machinists Union. Thereafter, he was castigated for his assault upon the rights of a member in good standing to express an opinion. When the meeting was finally adjourned, both sides had made peace and got what they wanted. Brother Rygus restored the credential to Brother Davies, and Brother Davies, until retirement, kept any further opinions on autonomy to himself.

In 1980, my former Local Lodge (2324) included Air Canada stations in British Columbia (Victoria, Vancouver) and Alberta

(Calgary and Edmonton). Airline growth had resulted in the B.C. and Alberta memberships becoming almost of equal size. Since the creation of Local Lodge 2324 in 1968, Calgary and Edmonton had been represented at the Executive Board table by Chief Shop Stewards with “Line Station” status, having “voice” but no vote at the table.

My Alberta sisters and brothers clearly agreed that Lodge administration should remain in Vancouver, but they were now insisting on “voice and vote” at the Executive Board table of the Lodge, when Lodge issues were debated and Lodge monies were being spent. This request necessitated a Local Lodge Bylaws change to the definition of the Executive Board, and the motion to do so was tabled in October 1980 by the Bylaws Committee of the Local Lodge.

While on the surface, the request seemed reasonable (to expand the Board and include new voting rights), the reality was that a bitter political battle had broken out between the adherents for change, and those with vested political interests on maintaining election to the Executive Board solely to those members based at Vancouver. The bitter battle and internal disputes raged on for three months before coming to a head at the beginning of 1981.

In January 1981 the bylaw amendment to the composition of the Executive Board was approved by the Regular Meeting on a vote of reconsideration. The opponents refused to accept the vote, and the Recording Secretary at that time refused to send the passed amendment in to Grand Lodge for approval, thereby forcing the Local Lodge’s administration into trusteeship.

Grand Lodge Representative Harold Thayer took over the Local Lodge in February 1981 and supervised an election of the Local Lodge Executive Board in April, under the recently approved rules. The opposition was soundly defeated.

The newly elected Executive Board immediately tasked the Lodge Bylaws Committee to perform a comprehensive review of the Local Lodge bylaws, to ensure fairness and balance for shared power amongst the members in the two provinces. The Local Lodge Bylaws Committee tabled a draft set of bylaws in September 1981 with ninety-two (92) changes.

The bylaw changes took three months for the members at the Regular Meeting members to approve. The changes, about thirty (30) proposals per meeting, were tabled, debated, and

carried in October, November and December of 1981, and the entire package of changes was submitted to GVP Canada Brother Rygus in January 1982 for review and recommendation to Grand Lodge for approval.

Brother Rygus had been advised about the bylaw changes forthcoming from Local Lodge 2324, but found no pleasure in the review task. His bylaw review exercise was normally for two or three changes, not ninety-two!

In discussion, Brother Rygus directed that the most critical changes to the bylaws (Executive Board composition and voting powers, Committee representations, and financial powers) be submitted to him first, and that the remaining wording changes should follow afterwards.

GVP Rygus authorized an interim approval for the voting power and financial structure changes to Local Lodge 2324 in November 1981, and an overall approval recommendation for the remaining bylaws changes in February 1982. I recall meeting the good Brother at a Convention later in 1982, whereupon I was admonished (as the recently elected Recording Secretary) never to submit such lengthy efforts ever again to the Canadian Office. I complied up and until Brother Rygus had retired from office.

The Grand Lodge eulogy for Brother Rygus was generous, even though he was the author of one nail-biting political faux pas during the 1980 election for the Grand Lodge Executive Council. Normally, the elected territorial GVP, in consultation with the Council, schedules their retirement in midterm so as to allow the appointment of a successor by the Grand Lodge Executive Council. Mike thought he would easily be elected for another term. The Canadian membership decided otherwise.

Mike had become quite controversial by 1980, and had lost touch with the Canadian membership, and Grand Lodge Representative (GLR) Jim Goodison from Ontario knew it. Jim ran against Mike, and carried the vote in majority throughout Canada as the choice to be the next GVP from Canada amongst IAM Canadian members.

However, under the rules of the day, which called for counting the total Executive Council ballots cast union-wide, it was the much larger American membership, voting the Grand Lodge slate, that outvoted the wishes of the Canadian membership, and returned Mike Rygus to office.

When the final vote results were announced, the younger Canadian IAM membership seeking change went ballistic with anger. That anger gave birth to the IAM Canada Autonomy Movement in late 1980. Over time, that movement matured, as key IAM Canadian leaders came on board, and then argued for a nationwide focus and a comprehensive strategy for change, based on the rules in the IAM Constitution.

Eventually the Autonomy Movement morphed into the Canadian Machinists Conference (CMC) in 1982 with Grand Lodge approval. The CMC then became a significant force at the Grand Lodge Convention Seattle 1984, which argued the inalienable right for a constitutional amendment permitting Canadians, as a sovereign country, to elect their own GVP. But after 1980, Mike was not the choice of Canadian members for the Executive Council, and he retired prior to 1984, replaced by Executive Council appointment with GLR Val Bourgeois from the Maritimes.

At the Centennial Grand Lodge Convention Atlanta 1988 the constitutional amendment to allow IAM Canadian members to elect their GVP from Canada to the Executive Council became law. GVP Val Bourgeois was re-elected under the new rules, and later, GVP Dave Ritchie, when Val retired.

Mike Rygus retired quietly to a home in the Ottawa Valley. He was present and honoured as a Platform Guest at several Grand Lodge Conventions after 1984. His term as GVP Canada



prompted much debate and considerable controversy, in addition to his good work towards building the Union and making pensions a focal point for the membership. It was my first memorable experience with a Grand Lodge General Vice-President, but it would not be my last.

David Varnes, ST LL764 and Chair, History Committee

## United Airlines Report

There are three outstanding grievances at Step One

Sis. Julie Gordon and Bro. Glen Stoten have been working with the Company to revise guidelines for the lead duties with a view to revamping the lead program. It appears the program will be halted and then restarted in January with new guidelines in place. Further information will be forthcoming in the next month.

There is another first aid class scheduled for December 11. Bros. Kapitan, Ivie and DeRidder are scheduled to attend.

Concerns about the station's preparedness for the Olympics were expressed to Management and were met with the information that United is one of the most prepared airlines at YVR. It appears now that there will be two days where there will be check in at remote locations in Vancouver and Whistler. Work has begun on a shift bid for the Olympics. There will likely only be a short bid for that period followed by a re-bid that should continue until the summer of 2010. Concerns that agents from other stations would be brought in for the Olympics were met with the assurance that all YVR agents would have opportunities for full time work ahead of outside employees.

There is still a great deal of concern over the remote parking facility, specifically with regards to access between 12:30am and 5:00am, the long exposed walk from the lot to Templeton station, particularly across several traffic lanes, and the fact there are only 2 small shelters for members waiting for the bus. With YVRAA's plan to discontinue airside bus service after Jan 1, it is getting harder, not easier to get to work, and to stay out of the elements while doing so.

The first week of December saw the contract workers spraying for frost on the gates, and resulted in delays of over half an hour for each of the morning flights on the first morning of spraying. There were issues such as pilots unable to reach the deicers, leading edges inadequately sprayed, as well as massive delays. Members are encouraged to log any such issues in ops and bring them to Management's attention. Have a happy and safe holiday season,

In solidarity, Janet Andrews

## Tech-Ops Report

### December 9, 2009 General Meeting

**Arbitration Hearings:** The last Arbitration hearing with Chief Arbitrator Martin Teplitsky was held on December 7<sup>th</sup>, 2009 in Vancouver.

**UMCM:** The next quarterly UMCM meeting date is yet to be confirmed.

**Article 16 – Seniority Committee:** Representatives from the various Airport and Tech Ops Shop Committees along with Boyd Richardson, District 140 General Chairman and Labour Relations are expected to meet in Montreal on December 15<sup>th</sup> – 18<sup>th</sup>, 2009 to continue to review the language and application of Article 16 of the Collective Agreement.

**Gantt Chart Meetings:** District 140 General Chairpersons and Shop Committee Representatives from Vancouver, Winnipeg, Montreal and Toronto met on November 24<sup>th</sup>, 2009 in Toronto to review the 2010 aircraft maintenance schedule.

**GSE 2010 Vacation Agreements:** The Shop Committee along with Local Shop Stewards and Local Management reached an agreement regarding the 2010 Vacations. The Shop Committee expects the vacation bidding process to commence soon.

**Heavy Maintenance 2010 Vacations:** The Shop Committee and local Heavy Maintenance Management have agreed to delay vacation discussions until the Company has produced a final 2010 Gantt Chart that clearly outlines the maintenance schedule for Vancouver Heavy Maintenance. Any individual requiring vacation time off for early 2010 are reminded to submit all requests in writing to the Company until a local vacation agreement has been reached.

**Line Maintenance 2010 Vacation Agreements:** The 2010 Line Maintenance Vacation bid process is nearly complete. The Shop Committee would like to thank Sister Janet Gilbert, Brothers John Gorman, Chris Hiscock, Rob Hunter, Richard

Paczek and Tony Metzler for their assistance with the 2010 vacation bid process.

**LOU # 4 Above Basic Interview Training:** Above Basic Interview training took place on November 18<sup>th</sup>, 2009 in Vancouver for those Shop Stewards that expressed an interest in receiving this training. The Shop Committee would like to thank Brothers Craig Cameron, Mel Hoffinger, Peter Perdue and Stephen So for their participation.

**Tech Ops Retirements:** The Shop Committee would like to congratulate the following Members; Emilio Lazatin – Category 1 and Solomon Chow – Category 13 who retired on December 1<sup>st</sup>. The Shop Committee would like to wish them a long, happy and healthy retirement. The Shop Committee also requests the assistance of all Shop Stewards in notifying the Shop Committee of any Member considering retirement.

**2010 Shop Steward Nominations:** The 2010 Shop Steward Nomination process has concluded per the Local Lodge By-laws. The Shop Committee is in the process of sending out 2010 Shop Steward Packages to all of the new and returning 2010 Shop Stewards.

**2009 Shop Stewards:** The Shop Committee would like to thank the 2009 Shop Stewards for their assistance and for their dedication and commitment to the Membership.

**Merry Christmas & Happy New Year:** The Shop Committee would like to wish the Local Lodge Executive Board, the entire Membership and their families 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

## Airports/Cargo Report

### AIRPORTS/CARGO SHOP COMMITTEE REPORT DECEMBER 2009

**Arbitrations:**

Arbitrations were held Monday December 07, 2009 here in Vancouver with Martin Teplitsky and we are awaiting his written decisions.

**General:**

Kevin Cox will attend a National Shop Committee meeting in Montreal on December 15, 2009. Some of the items that we will bring forward are the rumoured changes to shift trades, delays with both GDIP and WorkSafe.

**Olympics:**

The Shop Committee has had one meeting with LR to discuss pre planned O/T. Nothing has been agreed to as they are waiting to finalize their staffing plan and will get back to us.

**Shop Stewards:**

Nominations for 2010 have closed and we will put out the list in the New Year. Shop Stewards are reminded to take accurate notes so the Shop Committee can proceed with any type of appeal.

**Vacations:**

The 2010 vacation bids are complete and the Shop Committee would like to thank those involved in the bidding process for their assistance.

**Retirements January 01, 2010:**

Guy Martin Station Attendant Ramp 35 years.

The Shop Committee would like to wish all members a Safe and Happy Holiday Season

Kevin Cox

Craig Chard

## LL 764 Pension Report

Two steps forward and one step back. As a long retired co-worker of mine used to say, if it isn't one thing it's two things.

The ex-CAIL Pension Committee met with the Company on 18 November in YVR for our semi annual powwow. Several items of interest came out of that meeting and the financial reports presented by the Company.

First, the Company has hired Mr. Jean Michel, formerly of the Mercer Group as the new President of pension investments. He is overseeing a revamping of the pension plan investment strategy and is being supported by a new 3 man investment oversight department. At this time we have only been provided with a broad strokes overview of this realignment with the promise of a detailed explanation at our April 2010 meeting. We are told that in general there will be a larger percentage shift in plan assets from equities to fixed income investments.

This is to help insulate the plan from the volatility of the equities markets going forward and is in line with the Letter of Intent signed by the Company in June as part of the Pension funding restructuring agreement. That letter committed the Company to review and adjust the funding strategies of the Plan going forward to enhance its sustainability over the long term.

Second is the rebound in the asset value of the Plan. As most of you are aware, there has been a fairly healthy rebound in world equity markets since the beginning of 2009. Many of the equity values are approaching or surpassing their values from mid 2008. This has resulted in an increase of about \$1B in the value of the Master Trust assets. This has helped to replace much of the "lost" value that was captured in the 01-01-2009 actuarial valuation of the Plan that saw the solvency funding ratio drop to 82.5%.

The other half of the solvency funding ratio is determining the cost of the liabilities of the plan in the event of a windup. As I

have discussed on several previous occasions this is almost entirely dependent upon the discount (interest) rate set by the CIA (No, not the one you are thinking about but the Canadian Institute of Actuaries) that is used to make the solvency calculations. For the 01-01-2009 calculations the CIA stipulated the use of the bond rate plus 1.5% to reflect the interest rate available to purchase annuities at that time. The CIA has since amended the discount rate for use in any valuations done after July 2009 to 0.4% above the bond rate, a reduction of 1.1%, reflecting a decrease in the available annuity rates.

At \$340M for each ¼% change in the discount rate, this means an increase in the assumed liabilities of the plan of about \$1.1B which pretty much offsets the real market gain in asset value. This brings me back to my opening paragraph. What the market giveth, the CIA taketh away. So while the real tangible value of the plan assets has rebounded this year, the "what if" solvency funding calculation that will take place on 01-01-2010 will most likely show little or no change based upon the reduction in the discount rate. The faster we go the behinder we get.

Respectfully Submitted,

Christopher Hiscock

Chairman, LL764 Pension Committee

# Next General Meeting

**Jan 13, 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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