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# 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



## President's Report

### Inside this issue:

President's Report	1-3
Airline Presidents	4-7
Airports/Cargo Report	8
Tech Ops Report	8
AC Pension Report	9
MTU Report	10
Picture on Front Page	10
Dreams take Flight	11

As we look back on 2016 and the Year of the Monkey it all started with great excitement for our Air Canada members as we counted up the pile of bananas that Air Canada committed to feed all of us over the next ten (10) years and voted to ratify the longest collective agreement in IAMAW history in Canada.

Along with the agreement to pay more bananas came the guarantee from Air Canada that they would continue to employ all of the monkeys until at least 2025. Air Canada's 10 year commitment to provide a secure supply of bananas is proving to be a very lucrative investment by the company as they are once again on pace for their third consecutive annual record profit provided courtesy of their engaged and productive monkeys. Let's hope that they also see fit to provide more bananas for all of the monkeys in retirement and not just while we are working.

2017 will mark the Year of the Rooster and it will be the turn of our Roosters at MTU to bargain with their feed supplier to obtain an increased and secure supply of feed next year. According to the Chinese Zodiac, Roosters are punctual, observant and hard-working; all traits that rank very high up on the things that you want from your engine overhaul technicians.

In addition to entering into collective bargaining with MTU, our members are also still patiently waiting to hear if their CF6 contract with the USAF will finally be renewed in 2017 after the Donald finishes picking out new apprentices for the White House and old millionaires for his Cabinet.

LL764 continued our unwavering commitment to member education and representation in 2016. Because of the new CBA at Air Canada, the Education Committee and the Executive decided not to run the usual Day 2 of Shop Steward training which is centered around specific workplace issues in the CBA. LL764 brought in Al Bieksa from the BC Fed to teach two days of "Duty to Accommodate" training in May and June instead.

The DTA training was attended by fifty (50) of our Shop Stewards and Health and Safety representatives from both of our employers. The feedback from everyone who attended was extremely positive about both Al and the DTA training so LL764 is currently trying to schedule the same two day course again in 2017 for another group of our Stewards and Safety representatives.

The 39<sup>th</sup> quadrennial Grand Lodge Convention was held in 2016 and LL764 sent our maximum allotment of fourteen (14) delegates to Chicago for the eight day convention. We also sent our maximum allotment of seven (7) delegates to the 18<sup>th</sup> annual DL140 convention in Banff in October on behalf of our Local.

These are arguably the two most important congresses on the calendar for our members within the IAMAW organization. These conventions are where the Constitution of the IAMAW and the District Bylaws are altered, budgets are approved and the direction is set by the delegates for the respective Executive Boards as to how the business of the organization is to be conducted between conventions.

A record number of constitutional amendments, resolutions and bylaw amendments were debated and voted on at both of these conventions and the membership of LL764 was well represented at these very important congresses. For all of our members who did not attend the October or November General membership meet-

ings where your delegates presented their reports; their written reports are available from the Local Lodge office for any members who would like a copy.

In addition, the delegates to the DL140 convention re-elected LL764 member Brother Fred Hospes to an unprecedented second term as President and Directing General Chairman of DL140 and elected LL1751 member Brother Alfredo Acrobati as the National Recording Secretary of DL140. Their new term of office will commence on January 1<sup>st</sup>, 2017 and run to December 31<sup>st</sup>, 2020.

December 31<sup>st</sup>, 2016 will mark the end of the current term of office for all LL764 Executive Officers, Shop Committees and Senior Stewards. I would like to thank all of the members of the outgoing Executive Board and Shop Committees for their service and dedication to the Local over the past three years.

Some of us will be continuing our current roles as Executive and Officers for the next three year term of office that will commence on January 1<sup>st</sup>, 2017 and run to December 31<sup>st</sup>, 2019. On behalf of all of them I would like to congratulate and welcome the newly elected members of the Executive and Airport and Cargo Services Shop Committee who will help to shape LL764 and serve our membership for the next three years.

As with every year I would like to thank all of our members who have taken the time to get involved in your Union as Shop Stewards, Health and Safety representatives and on the various Local Lodge committees, Shop Committees, Senior Stewards and finally the Executive. All of you are essential in helping to ensure that LL764 is able to properly represent all of our members to the extent that we do.

I would also like to thank all of your families and especially mine for their continued support and understanding that allows each of us to spend as much time away from them as we do representing our members. Without the support and understanding of our families, none of us would be able to spend the time that is necessary to do these jobs properly.

We willingly volunteer for the positions that we occupy but our families get seconded along with us when the job follows you home and the phone rings at supper time or you are answering emails late at night. Without the patience and understanding of all of the families of our LL764 and DL140 representatives we could not function as an organization. Our spouses and children truly do not get the recognition or thanks that they deserve for letting all of us do these jobs to which we have been elected.

I would also like to acknowledge the many members from other Local Lodges across the country who take the time to visit the LL764 website and Snagsheet each month. Your comments and feedback are welcome and help us to shape the information that we publish for our members.

And last but not least, I want to thank each and every one of you who take the time each and every month to get involved with your Union by attending the monthly General meetings, visiting our website or reading the *Snagsheet* and our Bulletin boards to stay informed and engaged with the issues in your workplace.

This was the second year in which we have held our annual Turkey Draw for members who have attended any of the LL764 General monthly membership meetings throughout the year. There were a total of 124 members who attended at least one monthly meeting in 2016 and had their names entered into the draw for one or more chances at winning one of the ten (10) \$25 dollar gift cards from Save-On-Foods that serve as our non-perishable turkeys.

The draw for the "Turkeys" was held at the December 14<sup>th</sup> General meeting and I would like to congratulate all of the winners of the \$25 gift cards plus our two surprise Lotto Turkey Extra bonus draw prizes of the vegetable and fruit platters.

As with every year, the LL764 retirees generously help to cater the December General meeting after their annual Christmas luncheon. On behalf of the Executive I would like to thank all of our retirees for their involvement within our Local Lodge this year. Their activism

and assistance with our committees, elections and political action is greatly appreciated.

For those of you, who have time off over the holidays; please enjoy your time away from the salt mines with your families. For those of us who have drawn the short straw and have to work over the Holidays so that our customers may travel and enjoy the Holidays with their families, please ensure that you work safely. This is a very dangerous time of the year with maximum darkness, cold, precipitation and just truly all around miserable working conditions.

Please follow all SOPs to ensure both your own personal safety and the safety of your co-workers. No time of the year is a good time to be injured but especially not during the Holidays so please be careful. Make sure that you are able to go home safely to your family at the end of each and every work day.

On behalf of the entire Executive and the Officers of LL764 I would like to wish all of our members and your families a very Merry Christmas and a Happy New Year.

Christopher Hiscock  
President,  
Canadian Airways Lodge 764

## Airline Presidents 1987—2016

In an earlier Snagsheet article (Airline Presidents 1960-1986 published January 2014) this historian had reviewed the legacies and challenges of the twenty-six turbulent years faced by the Chief Executive Officers (CEO) of CPAir and Air Canada. That article outlined the difficulties, and heralded the accomplishments, of the several pioneer chief executives of Canada's two major airlines.

CPAir Presidents started with Grant McConachie in the 1950's and ended with Donald Carty in 1987. CPAir became Canadian Airlines International in 1986. Carty returned to American Airlines to become its CEO in 1993. In the same time frame, the TCA/Air Canada Presidents began with Gordon McGregor in the late 1940's (Trans-Canada Airlines, becoming Air Canada in 1966) and ended with Claude Taylor for 1990

Taylor passed the CEO torch to VP Pierre Jeannot in 1986. This was the beginning of the worst economic period in air transport history. Downturns required deep brutal cuts to airline staffing levels in all departments. Jeannot was unwilling to administer such brutality on the loyal and long-serving Air Canada employees, and was removed from office by the Air Canada Board of Directors.

Taylor assumed the CEO responsibilities once again for a short period, and along with the Air Canada Board of Directors, brought in Hollis Harris, former CEO of Delta Airlines, as the hatchet man for the staffing dilemma at Air Canada. Wisely, Taylor stepped down from the Board in 1990 before the slaughter began. By 1995, when Harris's contract was complete, more than 5000 Air Canada employees had lost their jobs.

As an introduction to the 1986 period, I need to provide some history on Pacific Western Airlines (PWA) at this point.

The evolution of Pacific Western Airlines (PWA) included the untimely death of its founder Russ Baker in 1965 (Snagsheet March 2010), two interim CEO's (Laidlaw and Cooke), and then a tremendous growth period under the much revered CEO Donald Watson. PWA operated a hugely successful short haul air transport business in Western Canada with B737-200 air-

craft<sup>i</sup>. Additional revenue was also obtained by long haul (group affinity) charter work using a B707-138 passenger aircraft<sup>ii</sup>, and cargo charters with a C-130 Hercules aircraft (civilian model). Manitoba-based regional carrier Transair was also acquired by PWA in 1979, and its routes were added to the PWA network. Gradually, the unprofitable Transair routes were eliminated, and their B707-351C (C-GTAL) used for group affinity charter work was sold to American Transair.

In 1974, Peter Lougheed, Premier of Alberta, wanted to establish an Alberta-based airline as part of his economic policies for the province. Lougheed offered to buy PWA and offered huge tax incentives for the company to move its headquarters from Vancouver to Calgary. These incentives included free land for hangars, airport access for gates and slots, and tax relief for years in support of that province's desire for an Alberta-based airline. Lougheed understood that from an economic cost-effective point of view, it was cheaper to buy an existing airline (and all its infrastructure) and move it to Alberta, than create an airline from scratch. Watson, reflecting and defending the view of the employees, was strongly opposed to the move and resisted Lougheed's offer.

The PWA Board, however, voted for corporate profit over employee sentiment. Donald Watson became a predictable casualty of boardroom greed and provincial politics, and was removed from office.

The PWA Board of Directors moved the airline to Alberta, and named CFO Rhys Eyton, who agreed with the move, as new CEO. Rhys Eyton promised the Alberta Government and the PWA Board that he would make the airline "greater than Air Canada"<sup>iii</sup>.

His promise was hollow. History proved this otherwise.

With its goal of an Alberta-based airline accomplished, the Alberta Conservative Government returned PWA to the public domain as a private company in 1983. Eyton used the long accumulated PWA cash reserves to buy CPAir from the CP Corporation for \$300M in 1986, and renamed the merged company Canadian Airlines International (CAIL). CAIL then began a slow and painful corporate death under his tenure.

Eyton served as its CEO and Chairman of the Board until his retirement in 1993. He was replaced by the “Two Kevins” – Jenkins and Benson – who were the subjects of a Snagsheet article published in September 2011.

Of course, the Air Canada world was not without its agonies.

Hollis Harris became Chief Operating Officer (COO) of Air Canada in 1990, and his Delta Airlines companion Lamarr Durette became a Senior Vice-President. Under the terms of a five year contract authorized by the Air Canada Board, Hollis and Lamarr were directed to inflict merciless downsizing of the Air Canada ranks. By 1995, Hollis and Lamarr had made Air Canada as lean and mean, both operationally and financially, as they knew how. Many loyal and dedicated employees lost their jobs permanently in this remorseless process.

After 1995, as the global air transport industry slowly recovered from oil price shock and declining world economies, and with his contract complete, Hollis handed the airline CEO duties over to his right-hand man, Lamarr Durette.

Lamarr was supposed to continue the tight-fisted practices of his predecessor, and decided that a good demonstration of his prowess would be to get directly involved in the bare knuckled negotiations with the Air Canada Pilots Association over wages. Lamarr ended up with a bloody nose once collective bargaining was complete.

The Air Canada Board of Directors were not impressed, and Lamarr was replaced in 1997 with its newest rising corporate star, Robert Milton. Robert was the subject of an earlier Snagsheet article in February 2009.

Robert Milton arrived at Air Canada with Hollis Harris in 1990, and worked his way through several senior Air Canada management positions over the years before being selected as CEO of the airline.

Robert was lucky. He found himself in charge of a robust and rejuvenated Air Canada by 1997, ready to take advantage of the rebounding economy. Milton dreamed of creating a single national carrier in Canada and was ready with a plan. The desperate Federal Liberal Transport Minister of the day, David Collenette, faced with a Canadian Airlines International (CAIL) bankruptcy in De-

ember 1999, and the prospect of 16,000 citizens thrown out of work three weeks before Christmas, needed a solution.

Robert offered immediate cash<sup>iv</sup> to meet the CAIL December payroll, and an integration agreement with job protection for all employees for two years, both management and union. Collenette took the bait, but the long serving and loyal employees of both airlines got the hook.

The two airlines (CAIL/ Air Canada) received prompt government and regulatory approvals for integration, but stumbled through operational years 2001-2003 with dysfunctions and service disasters too numerous to list<sup>v</sup>.

When Milton's two national carrier merger dream had become an operational and financial nightmare, bankruptcy expert and VP Calin Rovinescu stepped in with a second option.

Under the Company and Creditors Arrangement Act (CCAA)<sup>vi</sup>, antiquated rules allowed Milton and Rovinescu to reduce the combined bureaucracies of Air Canada and CAIL with legal impunity.

Bankruptcy Court proceedings helped create a stripped-down version of the airline, decimating both management and union ranks. That version appeared as a “New Air Canada” with separate operating divisions. Milton left no doubt that he expected each division to make money in the new millennium to improve “shareholder value”.

CCAA rules also allowed Robert Milton to lengthen corporate payment periods for defined benefit pension obligations, establish a defined contribution pension plan for new hires, renegotiate collective agreements with all the unions to corporate benefit<sup>vii</sup>, get rid of aircraft on unattractive leases, beat down the suppliers to rock bottom prices, and walk away from employee obligations at line stations and overseas operations. The “legacies” established by the employees of Trans-Canada/Canadian Pacific Airlines since 1937 and 1941 were consigned to history. The “New Air Canada” was all about the bottom line. Then Robert received an unexpected bonus.

The collapse of Michel LeBlanc's JetsGo in 2003 allowed Air Canada, in a cozy duopoly with WestJet Airlines, to dominate the Canadian domestic travel market for several years, and reap massive profits. Strong quarterly returns after 2004 obliged the "New Air Canada" to start paying off its deferred pension obligations (as required by the Federal Government Office of the Superintendent of Financial Institutions - OFSI) – but – these same strong returns also generated healthy cash reserves, which provided Air Canada with the financial toehold to start ordering new aircraft.

Robert Milton left the airline in 2007, with a \$10M bonus. Some of us consider that bonus more a circumstance of good luck as opposed to a reward for good management. Robert used the cash to purchase a minority stake in a new low cost airline based in Malaysia – Air Asia X<sup>viii</sup> - and moved to London, England (the Channel Islands) for tax reasons.

Milton's CEO responsibilities were gradually taken up by Monty Brewer, recruited from United Airlines in 2005. Brewer's major challenge was to be company-wide negotiations with all its major unionized groups starting early in 2009. The unions were finally unshackled from mandatory CCAA wage and benefit restrictions imposed upon them since 2003. The sabres from both sides rattled, but in the end, the Board of Directors (BOD) of Air Canada felt that Brewer had not been tough enough with the Unions, and he was allowed "to pursue other career opportunities" in 2010<sup>ix</sup>.

The Air Canada BOD then offered the CEO position to former VP and CCAA legal counsel Calin Rovinescu. You might recall that Rovinescu was forced to resign from Air Canada in 2003 when the Unions caught him lying about the impact upon employees with regards to integration arrangements.

Rovinescu was instrumental in splitting the airline into two divisions – one part full service, the other leisure travel – and dividing the fleet (and the pilots and flight attendants) - into two separate cost structures. This model has been applied successfully by Qantas (with Jetstar) and just recently, by Cathay Pacific (with Cathay Dragon).

In addition, Calin was successful in negotiating ten year labour agreements (with re-openers in certain years) with all the major Unions and Associations.

Rovinescu's most controversial move has been to commit Air Canada to the purchase of Bombardier CS-100 series Regional aircraft, in exchange for the Province of Quebec dropping its lawsuit support for the current wording of the Air Canada Public Participation Act 1986. That Act required Air Canada to do its fleet heavy maintenance work in Canada. The revised Act (Bill C-10) had been vigorously opposed by IAMAW District Lodge 140 as a sell-out of the air transport heavy maintenance legacy in this country. Notwithstanding the Union's forceful lobbying of Members of Parliament and the Senate, Bill C10 was passed by the House of Commons in 2016 with Quebec, Manitoba, and British Columbia heavy maintenance work guarantees removed.

The central holding company of Air Canada was ACE Aviation. Ace Aviation consisted of AeroPlan (a consumer rewards program, now part of TD Bank), Air Canada Ground Handling (ACGHS) - which provides ground handling, cabin, and cargo services for Air Canada, Jazz, and contracted foreign carriers, Air Canada Technical Services (ACTS), which provided line and support maintenance services to Air Canada and contracted third parties, (the "heavy" division was sold to AVEOS, which went bankrupt in 2012), and now consists of Air Canada Maintenance (ACM), which provides day of flight line mechanical services to the Air Canada fleet, Rouge, and other airlines. ACE Aviation was dissolved shortly after the retirement of Robert Milton in 2007, with a huge payout to the "vulture funds" that had invested in the airline's stock after the bankruptcy proceedings. The present day Air Canada now consists of Pilots and Flight Attendants (AC and Rouge), ACM, and ACGHS (Cabins, Cargo and Ground Handling).

Rhys Eyton passed the heavily mortgaged CAIL baton to CEO's Kevin Jenkins (1993-1996) and Kevin Benson (1996-2001) who did their best to sustain the company until the CAIL bankruptcy in December 1999. When the Air Canada merger offer was accepted, Benson stepped aside in 2001 and Air Canada Chief Financial Officer Robert Peterson assumed financial control of CAIL. Air Canada VP Mary Jordan served as the interim CAIL CEO<sup>x</sup>.

The empty corporate shell of CAIL was placed into receivership by the Alberta Supreme Court, and its few remaining assets were taken over by Air Canada.

Air Canada has once again begun a fleet renewal, and its recently acquired Boeing 787-8 and -9 Dreamliners, and B737MAX aircraft have become the foundation for rapid route expansion. The jury is still out however, as to whether the employees will get a fair share of corporate profit for their contributions to the airline.

So once again, we are in December, and I am privileged to extend to the members of Local Lodge 764, their families, and my many readers everywhere, the best of wishes for a joyous and bountiful Christmas Season. These wishes include my hope for your continued good prospects in the upcoming and exciting New Year.

Thank you for your readership. I have enjoyed many warm and encouraging e-mails and personal comments about our shared history. It makes all of these long hours of writing worthwhile.



David Varnes, ST  
LL764 and Chair,  
History Committee

#### Footnotes:

i. As a young employee of Air Canada I remember when PWA decided to grow the company with the B737-200 jet transport. All employees at the Vancouver Airport were offered an opportunity to buy PWA shares at \$1.00 each to fund the PWA jet transport decision. Those who purchased and then sold their stock to the Alberta Government when PWA was moved to Calgary made outstanding returns on their investment.

ii. The B707-138 aircraft (C-FPWW fin 773) was purchased used from Qantas Airways (VH-EBA) in October 1967 and operated by PWA until withdrawn from service in September 1978. The aircraft was sold to an American charter operator in October 1978 and saw its last service with the Saudi Arabian Government as official transport for the Saudi Ambassador to the United States under registration HZ-123. The aircraft was purchased by the Qantas Founders Outback Museum in June 2006, restored to original 1960's Qantas livery and registration VH-XBA, and stored at Longreach, Queensland Australia

for permanent static display. Upon retirement, the aircraft had achieved 61,909 hours of operation and 23,618 pressurization cycles on the airframe.

iii. It has been noted with interest by this air transport historian that there are several websites of PWA history offered by former employees for public viewing. There is also an alumni who have regular annual gatherings. I am informed by a reliable source that the invitations to these gatherings never include Rhys Eyton or any of the PWA Board of Directors of the day who appointed him.

iv. CAIL received an immediate cash infusion of \$3M from Air Canada for its operating rights from Toronto to Osaka, Japan which allowed CAIL to meet its employee payroll in December 1999.

v. see the February 2014 Snagsheet article "Air Ugly" which outlines some of the dysfunctions that were part of Robert Milton's integration plan for CAIL/Air Canada

vi. The Company Creditors and Arrangement Act is legislation in Canada that addresses corporate bankruptcies. The Act became law in 1910 and offered antiquated protection to creditors, with little consideration to working people owed wages and benefits from failed companies. Much of the legal efforts of the Machinists Union, who represented Air Canada and CAIL members, was to redress this situation.

vii. All the Unions in the "New Air Canada" felt the brutality of multiple benefits stripped away from collective agreements under CCAA legislation. The Unions forced Air Canada VP Calin Rovinescu to resign in 2003 when it was clearly shown that he had lied to the Unions about the cost and extent of their sacrifice.

viii. There has been some controversy over the sale of the last two Air Canada A340-313X aircraft to Air Asia X. It has been suggested that Robert Milton received a "special price" for the sale of Fins 909-910, but there has been, to date, no proof tabled about these allegations. In late 2015, Milton was nominated to the Board of United/Continental Holdings, when shareholder dissatisfaction forced a shakeup of the top levels of the airline.

ix. Monty Brewer has since resurfaced as a Member of the Board of Directors of Swiss International Airlines, a Lufthansa subsidiary.

x. After a long career with American Airlines, Air Canada, and several other major companies, Mary Jordan now serves as the Board Chairperson of the Vancouver Airport Operating Authority (YVRAA). Jordan succeeded Graham Clarke, who had served as the Chair of YVRAA since its inception in 1992.

## Airports/Cargo Report

There has been an ongoing issue in CEQ with regards to temporary Full-Time employment and seniority. The issue stems from the Company not being able to employ any "New Hires" in a temporary Part-Time position and therefore had to hire temporary Full-Time. The Company has agreed to meet with the Union in the future if this problem happens again so we will be able to address the issue and inform the membership. We have resolved the current issue and any individual in CEQ that applied for temporary Full-Time through the LOU 29 process will be awarded a temporary Full-Time position.

Cargo is in the process of determining the proper time and number of positions for a staffing request. We are hoping the request gets submitted before the New Year but unfortunately because of the timing the uplift will not take place until sometime in the New Year.

We are pleased to report that two grievances were resolved surrounding overtime. Specifically, if an employee is awarded an overtime by-pass and then subsequently works additional overtime on the same set of days off, then all the sequent days will be paid at double time. The second issue that was resolved is working a shift trade in between overtime days does not affect the individuals overtime rate of pay.

There is currently a staffing request for sixty Full Time Station Attendants that has now closed and we are waiting for the official list of applicants to determine who will be awarded the positions.

The Shop Committee wishes everyone and their families a safe and happy holiday season.

In Solidarity,  
Paul Penman & Rod Ramsey  
Airports & Cargo Shop Committee

## Tech Ops Report

### Tech Ops Shop Committee Report Executive Meeting – December 13, 2016

**Shop Steward Nominations** – The 2017 Shop Steward Nomination Sheets have been collected throughout Tech Ops. I wish to thank all of the current Shop Stewards for their support over the past year and I am happy to report we will have more Shop Stewards in 2017 than we had this year. I expect Basic Shop Steward Training will reoccur early in the new year. My thanks to all for your assistance.

**YVR Line Maintenance Vacation Bid** – The 2017 Line Maintenance vacation bid has been completed. My thanks to Brother Joe Toth who volunteered to assist with the process. The completed bid has been posted and entered in EAS.

**B767 Get Well Program** – In an effort to ensure as much maintenance work was retained in-house; seven B767 aircraft have had the get well checks completed here in YVR and the eighth one should be finished before the deadline of December 15<sup>th</sup>, just in time for the busy holiday season.

**Tech Ops Retirements** – The Shop Committee would like to congratulate the following Members: Richard Keith – Cat 23, Fred Chan – Cat 38 and Walt Humenny – Stockkeeper who retired on December 1<sup>st</sup>. The Shop Committee would like to wish them a long, happy and healthy retirement.

Wishing Everyone a Safe and Happy Christmas and Merry New Year.

Glenn Cooper  
YVR Tech Ops Shop Committee

## AC Pension Report

Picking up where I left off in November's report I continue my fascinating journey through the alphabet of pension language and terms.

"*Continuous Service*" is a fancy way of saying "*Company Service*". It is defined as the period of time since your last permanent date of hire with the Company until your date of retirement, termination or death, whichever comes first. It is unbroken by any periods of strike, layoff, LOA, WCB, GDIP or any other approved absences from work. It is a measure of the length of your unbroken employment relationship with Air Canada, CAIL or any predecessor companies regardless of your status as either an active or inactive employee. As long as you are an employee, you are earning continuous service. Continuous service is not used in the calculation of your pension benefit. Continuous service is used to establish your eligibility for Post-Retirement Benefits (PRB). To be eligible to receive PRB upon your retirement you must attain one of the PRB qualification criteria of **either** 25 years of continuous service **or** 80 points of age + continuous service **or** age 65 with a minimum of 10 years of continuous service.

"*Effective Date*" is defined in Section 19.1 of the plan text as January 1, 1988. It is applicable to ex-CAIL members only. The effective date establishes the first date that pensionable service in the new combined CAIL pension plan commenced and pensionable service in all predecessor airline pension plans ceased.

"*Former Member*" means anyone who has ceased to be an active contributing member of the pension plan as a result of retirement, termination or death and who is either owed or receiving a pension benefit from the plan.

"*Interest*" means the average Canadian chartered bank 5 year personal fixed-term deposit rate as calculated from November to November on an annual preceding calendar year basis. It is used to calculate the interest on your contributions when determining your "contributions with interest" as shown on your annual pension statement and the Calculation Details page of the Aeronet Pension Projector. This is its sole use in the plan. It is not used to value the assets of the plan. It is not used in determining your commuted value or your pension benefit.

"*Normal Retirement Date*" is the first day of the month next following your 65<sup>th</sup> birthday. Normal retirement occurs only on this date. Even though mandatory retirement at age 65 has been eliminated, age 65 is still considered the "normal" retirement age by the *PBSA* and our pension plan. Everything else is considered either an early retirement, a postponed retirement or a termination with benefits. Everything to do with pensions is calculated in whole calendar months so your effective date of retirement (the day they owe you your first pension cheque) is always the first day of the month next following your last day of work.

"*Pensionable Age*" means age 65. It is defined as the earliest age at which a pension benefit, other than a disability benefit, is payable to the member without the consent of the company and without reduction. Members can of course retire with an unreduced pension any time after they attain both age 55 and 80 points of age + qualifying service and with the consent of the company, but without consent, an unreduced pension is only payable from age 65. If a member continues to work after age 65 and subsequently dies while still in active service, their pensionable age shall be deemed to be their age at their death. It is logically assumed that you will not continue to work after your death and your pension benefit will then be paid out to either your spouse or your beneficiaries as applicable.

If a member terminates from the plan prior to attaining the necessary 55 and 80 with consent, they can choose to take an immediate reduced pension benefit but they always have the option to defer their pension to their pensionable age (65) and receive it as an unreduced monthly pension as at that date.

You can choose to take a reduction in your pension but you can never be forced to take a reduction in your pension. You always have the option to receive an unreduced pension payable at age 65.

Respectfully Submitted,  
Christopher Hiscock  
Chairman, LL764 Pension Committee

## MTU Report

### Senior Stewards Report MTU Canada December 2016

I am pleased to report there have been four new hires in the Component Mechanic and Machinist Mechanic Classification's, three permanent and one temporary all of which are at the Accessories Shop.

There are still two outstanding permanent layoffs, one NDT - Technician and one Refurbisher Technician. There is one temporary employee hired in the Facility Worker Classification which has been extended until the end of the year.

Article 18 defines how we bid our vacation entitlement therefore please take the time to review this language; bid vacation lists were posted on the 02<sup>nd</sup> November to enable us to select vacation entitlement for 2017, third choice vacation bids are to be completed no later than 15<sup>th</sup> December, fourth and subsequent choices are to be completed by 31<sup>st</sup> December. Those who have elected not to bid their vacation are at risk of having the company assign your vacation. Finalized lists will be posted no later than January 15<sup>th</sup> 2017, please be guided accordingly.

Nomination List's for 2017 Shop Stewards were posted and concluded as per Local Lodge 764 bylaws. I would like to thank all of you who served as Shop Stewards in 2016 for a job well done, I will be posting the finalized 2017 Shop Stewards list prior to year end. I am pleased to announce that we will be starting 2017 with a full slate of Shop Stewards. Local Lodge Educator Brother Carter will communicate the Steward training plan for 2017 early in the New Year.

There is one outstanding Grievance at Step 3 regarding a violation of Article 2.04, Engineers at the ARC performing bargaining unit work, there are two grievances escalated to step 3, Article 5, overtime bypass opportunities.

We were advised that the terms and conditions of our

present U.S. Military KC10 contract have been extended until the end of January 2017 pending long term renewal with the successful vendor. The shop forecast with regards to engine inductions remains steady as we approach year end and by all accounts it has been a successful year, however in this very competitive business and the New Year fast approaching many challenges lie ahead for us in 2017, I have no doubt with the experience and commitment of all at MTU Canada we will overcome these challenges and remain successful.

I would like to thank everyone who supported me over the last year in my role as Senior Steward at MTU Canada and I look forward to serving you in 2017.

Wishing you and your families a Merry Christmas and a Happy New Year.

In Solidarity, Brother Jim Mathieson  
Senior Steward MTU Canada.

## Picture on Front Page

### 764's Children's Christmas Party

Photo of Camryn and Ava Cheung (brother Chris Cheung's daughters) and Anika and Vanessa Fink daughters of MTU 's Petra and Holger Fink played Frosty and Rudolph.



### Dreams take flight hockey tournament

Dreams take flight hockey tournament raised \$7360 dollars for this amazing charity. Members from as far as YXE came in to take part in this four team tournament. Would like to thank all those who planned such a wonderful event and all the members who helped raise funds.

Austen Knight



# Next General Meeting

**Jan 11, 2017**  
**5 PM**  
**7980 River Road**  
**Richmond, B.C.**



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

**IN MEMORIAM**  
**BROTHERS**  
**DAVID MOLTO**  
**DAVID BASTIEN**  
**KEN AKINS**

## Local 764 Executive Board

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Austen Knight – Vice-President  
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