

AGREEMENT

between

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AIR CANADA

and the

CANADIAN AIR LINE
DISPATCHERS ASSOCIATION

02811(09)

Effective: July 1, 2003 - June 30, 2009

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PREAMBLE

- P1.01 This agreement incorporates changes made by and between Air Canada, hereinafter referred to as the Company and the Canadian Air Line Dispatchers Association, hereinafter referred to as the Association, as agreed to on October 28, 2006, and previous changes as agreed to on May 15, 2004, May 28th, 2003, September 30th, 2000 and November 5, 1999. This Agreement replaces and supersedes the Agreement between the Company and the Association which expired on July 31st 2002.
- P1.02 The purpose of this Agreement is in the mutual interest of the Company and the Dispatch Employees to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, and efficiency and economy of operation, and the continuation of employment under conditions of reasonable hours, compensation, and working conditions. It is recognized by this Agreement to be the duty of the Company and of the Dispatch Employees to cooperate fully both individually and collectively for the advancement of that purpose.
- P1.03 For the purpose of this Agreement, all masculine pronouns shall be read to include the feminine.

**ARTICLE 1
ASSOCIATION
RECOGNITION**

- 1.01 The Company recognizes the Association as the sole bargaining agent for the Dispatch Employees permanently domiciled in Canada, or may be other-wise assigned to stations outside the territorial limits of Canada.
- 1.02 Those Dispatch Employees assigned to any station or base outside of the territorial limits of Canada will be covered by a Letter of Contract for the duration of such assignment, A copy of each such letter shall be supplied to the Association.
- 1.03 It is recognized that flights operated by Air Canada pilots (excluding flights operated by Air Canada Jazz pilots) and excluding acceptance flights will be dispatched by Air Canada Dispatchers in accordance with the collective agreement unless otherwise mutually agreed.

**ARTICLE 2
DEFINITIONS**

- 2.01 The term FLIGHT DISPATCHER hereinafter known as Dispatcher shall mean a qualified employee as per the Canadian Aviation Regulations (CARs) who is regularly assigned the responsibility of exercising Operational Control over Company Flights.
- 2.02 The term QUALIFIED FLIGHT DISPATCHER IN TRAINING hereinafter known as a Qualified Dispatcher in Training, shall mean a flight dispatcher as per CARs who is not

regularly assigned responsibility of exercising Operational Control over Company Flights.

- 2.03** The term UNQUALIFIED FLIGHT DISPATCHER IN TRAINING hereinafter known as Unqualified Dispatcher in Training shall mean a Dispatch Employee prohibited under CARs from exercising Operational Control over Company Flights.
- 2.04** The term DISPATCH EMPLOYEE shall refer to those employees classified as Chief Dispatcher, Dispatcher, Qualified Dispatcher in Training and Unqualified Dispatcher in Training.

**ARTICLE 3
RESERVATIONS
OF MANAGEMENT**

- 3.01** Subject to the provisions of this Agreement, the control and direction of the working forces including the right to hire, suspend or discharge for cause, dispense with, to advance or set back in classification, to reassign, to transfer or lay off because of lack of work or for other legitimate reasons, is vested solely in the Company.
- 3.02** These enumerations shall not be deemed to exclude other prerogatives not enumerated, and any of the rights, powers or authority of the Company are retained by the company except those which are subject to the provisions of this Agreement.
- 3.03** The Company maintains the right to retain a maximum of three (3) Flight Dispatch management positions who are qualified as Dispatchers under CARs and who are entitled to work as Dispatchers exercising Operational Control over Company Flights.

The Company shall advise the Association in writing of the initial Company titles and incumbents to be declared under this article. The Company shall declare in writing to the Association any future amendment to either the Company titles and/or incumbents.

The exercising of Operational Control over Company flights by the incumbents addressed under this article shall be limited to:

- a) Time required to attain and maintain current Flight Dispatcher Certification status as specified within section 705.110 of CARs .
- b) Time required to investigate Operational Control procedures and Dispatcher workload assignments to insure proper Company compliance with section 725.20 of the Transport Canada Commercial Air Service Standards.

Time accrued exercising Operational Control under this article shall be done on a displacement basis only.

The Company shall advise the displaced Dispatcher and the Association in writing, no less than **forty-eight (48)** hours prior to the commencement of the affected shift, of the date, time and reason for the displacement. The initial Dispatcher will have, at his option, the right to further displace the most junior Dispatcher on shift. The Dispatcher

so displaced shall, for the duration of the displacement, perform other Flight Dispatch related duties as specified by the Chief Duty Dispatcher.

No Dispatch Employee shall be monetarily disadvantaged as a result of the displacement process.

A displaced Dispatcher may not be rescheduled to another shift start time as a result of the displacement process.

- 3.04** It is understood that none of the foregoing shall detract from the right of the Dispatch Employee to lodge a grievance in the manner and to the extent herein provided.
- 3.05** All Managers will be recruits from the Air Canada Flight Dispatch bargaining unit and will continue to hold and accrue seniority numbers on the "Air Canada Flight Dispatcher Seniority List." As per past practice in respect to NODA (no dispatcher available), management will be able to work a desk. The Chief Dispatcher Operations and Chief Dispatcher Standards positions listed in LOU No. 9 will be removed. It is understood that in the event the management positions are removed, the previous sub classifications will be reinstated into LOU No. 9. Management incumbents returning to the active bargaining unit will be placed into the Flight Dispatcher classification.



**ARTICLE 4
RATES OF PAY**

4.01 The following are the rates of pay for Dispatchers and Dispatchers in Training. The effective date of pay increases in the various steps listed below will be the first day of the biweekly pay period following completion of the required number of weeks in the previous step. 2002 Rates of Pay reflect a 2.5% increase over 2001 rates. 2003 Rates of Pay reflect a 2.5% decrease from 2002 rates. 2004 Rates of Pay reflect a 1.9% decrease from 2003 rates, with the exception of Dispatchers in Training (formerly known as Assistant Dispatchers) for which a flat rate was established. Wage uplifts for 2006 - 2008 are: 2006 - 1.9% increase; 2007 - 1.8% increase; 2008 - 1.6% increase.

DISPATCHERS IN TRAINING RATES OF PAY EFFECTIVE July 21, 2002		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 26 Weeks	636.81	16.98
2nd 26 Weeks	658.88	17.57
3rd 26 Weeks	681.78	18.18
4th 26 Weeks	705.39	18.81
5th 26 Weeks	729.90	19.46
6th 26 Weeks	755.21	20.14
7th 26 Weeks	781.42	20.84
8th 26 Weeks	808.55	21.56
9th 26 Weeks	865.64	23.08

DISPATCHERS IN TRAINING RATES OF PAY EFFECTIVE June 1, 2003		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 26 Weeks	620.89	16.56
2nd 26 Weeks	642.41	17.13
3rd 26 Weeks	664.74	17.73
4th 26 Weeks	687.76	18.34
5th 26 Weeks	711.65	18.98
6th 26 Weeks	736.33	19.64
7th 26 Weeks	761.88	20.32
8th 26 Weeks	788.34	21.02
9th 26 Weeks	844.00	22.51

DISPATCHERS IN TRAINING RATES OF PAY IF HIRED ON/AFTER JUNE 1, 2004		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
	675.20	18.01

	WEEKLY RATE	(1) HOURLY

LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
	700.41	18.68

DISPATCHERS IN TRAINING RATES OF PAY EFFECTIVE JUNE 29, 2008		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
	711.62	18.98

DISPATCHERS RATES OF PAY EFFECTIVE JULY 21, 2002		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	1,000.21	26.67
2nd 52 Weeks	1,060.02	28.27
3rd 52 Weeks	1,131.07	30.16
4th 52 Weeks	1,228.92	32.77
5th 52 Weeks	1,267.01	33.79
6th 52 Weeks	1,306.27	34.83
7th 52 Weeks	1,346.74	35.91
8th 52 Weeks	1,388.53	37.03
9th 52 Weeks	1,431.56	38.17
10th 52 Weeks	1,475.93	39.36

DISPATCHERS RATES OF PAY EFFECTIVE JUNE 1, 2003		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	975.20	26.01
2nd 52 Weeks	1,033.52	27.56
3rd 52 Weeks	1,102.79	29.41
4th 52 Weeks	1,198.20	31.95
5th 52 Weeks	1,235.33	32.94
6th 52 Weeks	1,273.61	33.96
7th 52 Weeks	1,313.07	35.02
8th 52 Weeks	1,353.82	36.10
9th 52 Weeks	1,395.77	37.22
10th 52 Weeks	1,439.03	38.37

DISPATCHERS RATES OF PAY EFFECTIVE July 4, 2004		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	956.67	25.51
2nd 52 Weeks	1,013.88	27.04
3rd 52 Weeks	1,081.84	28.85
4th 52 Weeks	1,175.43	31.34
5th 52 Weeks	1,211.86	32.32
6th 52 Weeks	1,249.41	33.32
7th 52 Weeks	1,288.12	34.35
8th 52 Weeks	1,328.10	35.42
9th 52 Weeks	1,369.25	36.51
10th 52 Weeks	1,411.69	37.65

DISPATCHERS RATES OF PAY EFFECTIVE July 2, 2006		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	974.85	26.00
2nd 52 Weeks	1,033.14	27.55
3rd 52 Weeks	1,102.39	29.40
4th 52 Weeks	1,197.76	31.94
5th 52 Weeks	1,234.89	32.93
6th 52 Weeks	1,273.15	33.95
7th 52 Weeks	1,312.59	35.00
8th 52 Weeks	1,353.33	36.09
9th 52 Weeks	1,395.27	37.21
10th 52 Weeks	1,438.51	38.36

DISPATCHERS RATES OF PAY EFFECTIVE July 1, 2007		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	992.39	26.46
2nd 52 Weeks	1,051.74	28.05
3rd 52 Weeks	1,122.24	29.93
4th 52 Weeks	1,219.32	32.52
5th 52 Weeks	1,257.11	33.52
6th 52 Weeks	1,296.07	34.56
7th 52 Weeks	1,336.22	35.63
8th 52 Weeks	1,377.69	36.74
9th 52 Weeks	1,420.38	37.88
10th 52 Weeks	1,464.41	39.05

DISPATCHERS RATES OF PAY EFFECTIVE June 29, 2008		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	1,008.27	26.89
2nd 52 Weeks	1,068.57	28.50
3rd 52 Weeks	1,140.19	30.41
4th 52 Weeks	1,238.83	33.04
5th 52 Weeks	1,277.23	34.06
6th 52 Weeks	1,316.80	35.11
7th 52 Weeks	1,357.60	36.20
8th 52 Weeks	1,399.74	37.33
9th 52 Weeks	1,443.11	38.48
10th 52 Weeks	1,487.84	39.68

DISPATCHERS - RATES OF PAY IF HIRED ON/AFTER June 1, 2004		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	765.34	20.41
2nd 52 Weeks	811.10	21.63
3rd 52 Weeks	865.47	23.08
4th 52 Weeks	940.34	25.08
5th 52 Weeks	969.49	25.85
6th 52 Weeks	1,124.47	29.99
7th 52 Weeks	1,159.31	30.91
8th 52 Weeks	1,261.70	33.65
9th 52 Weeks	1,300.79	34.69
10th 52 Weeks	1,411.69	37.65

DISPATCHERS - RATES OF PAY IF HIRED ON/AFTER June 1, 2004 EFFECTIVE JULY 2, 2006		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	779.88	20.80
2nd 52 Weeks	826.51	22.04
3rd 52 Weeks	881.91	23.52
4th 52 Weeks	958.21	25.55
5th 52 Weeks	987.91	26.34
6th 52 Weeks	1,145.83	30.56
7th 52 Weeks	1,181.34	31.50
8th 52 Weeks	1,285.67	34.28
9th 52 Weeks	1,325.51	35.35
10th 52 Weeks	1,438.51	38.36

DISPATCHERS - RATES OF PAY IF HIRED ON/AFTER June 1, 2004 EFFECTIVE JULY 1, 2007		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	793.92	21.17
2nd 52 Weeks	841.39	22.44
3rd 52 Weeks	897.79	23.94
4th 52 Weeks	975.45	26.01
5th 52 Weeks	1,005.69	26.82
6th 52 Weeks	1,166.46	31.11
7th 52 Weeks	1,202.60	32.07
8th 52 Weeks	1,308.81	34.90
9th 52 Weeks	1,349.36	35.98
10th 52 Weeks	1,464.41	39.06

DISPATCHERS - RATES OF PAY IF HIRED ON/AFTER June 1, 2004 EFFECTIVE JUNE 29, 2008		
LENGTH OF SERVICE	WEEKLY RATE	(1) HOURLY EQUIVALENT
1st 52 Weeks	806.62	21.51
2nd 52 Weeks	854.85	22.80
3rd 52 Weeks	912.15	24.32
4th 52 Weeks	991.06	26.43
5th 52 Weeks	1,021.78	27.25
6th 52 Weeks	1,185.12	31.60
7th 52 Weeks	1,221.84	32.58
8th 52 Weeks	1,329.76	35.46
9th 52 Weeks	1,370.95	36.56
10th 52 Weeks	1,487.84	39.68

- (1) The hourly equivalent pay rate is to be utilized for any overtime/undertime calculations.
- (2) Notwithstanding the hourly equivalent listed in this Article is based on 37.5 hours, Dispatch Employees work a standard work week of 40 hours as described in Article 5.01A.

4.02 The Company, at its discretion, may pay rates higher than the graduated scales but in accordance with the above and within the maximum.

4.03 Certification Pay Premium

Effective June 1, 2003, the monthly premium received by Dispatchers and those Dispatch Employees covered by L.O.U. 9 and L.O.U. 10 is \$75.00.

Note 1: This premium will be considered as pensionable earnings.

Note 2: This premium will not be applicable if a Dispatcher is on a Leave of Absence for a period longer than 30 days.

Note 3: If a Qualified Dispatcher In Training is required to act as a Dispatcher for a shift during a month, the individual will be paid the premium for the applicable month.

**ARTICLE 5
HOURS OF WORK, SHIFTSCHEDULES,
COCKPIT FAMILIARIZATION AND OTHER
TRAINING, OVERTIME AND UNDERTIME,
TIME BANK**

5.01 Hours of Work

- A. The standard working week shall be forty (40) hours and the standard working day shall be eight (8) consecutive hours, inclusive of meal periods. Where the standard working day or the standard work week is not practicable, the Dispatch Employee may be scheduled for eight and one-half (8 1/2) hours inclusive of meal periods.

NOTE: The provision of allowing a shift to extend to eight and one-half (8 1/2) hours is to provide for a one-half (1/2) hour shift changeover, or to achieve the equivalent of the forty (40) hour week when a "2 day on 1 day off" average work schedule is in effect.

- B. The length of the meal period shall be one half (1/2) hour and shall occur during the third, fourth or fifth hour after commencement of a shift, unless otherwise mutually arranged locally. It is recognized that occasionally circumstances may cause the lunch period to fall outside these limits.
- C. Each Dispatch Employee, while exercising Operational Control (includes Dispatcher and Chief Duty Dispatcher classifications) will be credited with 30 minutes per shift worked per day in lieu of a fixed meal and/or actual meal period.
- D. Dispatch Employees are normally entitled to a scheduled rest period on Company time, in each half of the workday. However, it is recognized that working conditions at the Flight Dispatch Centre are such that no formal rest periods will be scheduled.

5.02 Shift Schedules

- A. Management will develop the staffing needs and a work schedule including start and stop times based on operational and administrative requirements. Work schedules may include day/evening/night shifts and fixed shifts may be allowed. Once developed by Management, the work schedule will be given to CALDA prior to posting.

Note: It is agreed that at the request of a Dispatcher entering her third trimester of pregnancy, she will not be required to work the midnight shifts.

- B. The Dispatch Employees may, through their Local Council Chairperson, propose an alternative schedule to provide the required operational and administrative coverage at no additional cost to the Company. It is important that both parties recognize the obligation to work out the most acceptable arrangement to cover the work requirement and to ensure that every effort is made to arrive at a mutually satisfactory solution that maintains the required cost efficiencies and productivity.

- C. Shift schedules shall be drawn up and, following consultation with the Association posted three (3) months in advance where practicable, but in any case not less than one (1) month in advance of the effective date and to be for a duration of at least one (1) month. Changes in schedules may be made only after consultation between the Flight Dispatch management and the Local Council Chairperson and provided notice of change is given at least forty-eight (48) hours prior to the effective date of change. However, no earned days off shall be lost as a result of the schedule change.
- D. When a shift change occurs due to an additional Dispatch Employee being inserted into the shift, forty-eight (48) hours notice of change shall not be necessary and no Dispatch Employee shall be considered to be working on a previously scheduled day Off.
- E. When a Dispatcher(s) is shown as surplus to line dispatching requirements, his shift may be changed to days or evening by the Company providing thirty-six (36) hours notice is given and that a minimum of twelve (12) hours have elapsed since the end of his last scheduled shift. Forty-eight (48) hours notice must be given for a shift change to the midnight shift.
- F. A shift schedule shall be prepared for each Dispatch Employee. It is agreed that, on a pre-planned shift schedule basis (reference Article 5.02A); the senior available Qualified Dispatcher in Training may be used as a Dispatcher on a temporary basis..

5.03 Cockpit Familiarization & other Training

- A. Familiarization(FAM) Flights and Annual Recurrent Training (ART) will be performed on the Flight Dispatch employees scheduled time off without pay. The Company and Association will discuss the pre-scheduling of these days as required.
- B. Time spent on training (other than FAM Flights and ART) during a regularly scheduled shift or a shift which has been substituted for a regularly scheduled shift will be considered as time worked and credited on a straight time basis; therefore, if a Dispatch Employee is required to work overtime on that day the normal premium rates will apply to such overtime.

Time spent on such training prior to or following a scheduled or substituted shift which is worked will be credited at time and one half.

Prior to or following a training day (other than FAM Flights and ART), Dispatch Employee shall be entitled to a minimum rest period of 12 hours before being required to return to duty.

- C. The Company will provide required Dispatcher related training and Cockpit Familiarization flights sufficient to maintain competency and the required skill levels of all Dispatch Employees covered by the Collective Agreement.
- D. Dispatch Employees who attend meetings at Company request will receive credit at straight time for the travel time associated with such meetings.

- E. Dispatch Employees may bid into the International Sector only upon a vacancy being declared.

5.04 Overtime

A. A Dispatch Employee required to work overtime will be credited as follows:

1. Time and one half for work in excess of his normal shift or on a scheduled day off.
2. Time and one half for hours worked in excess of twelve (12) hours on a scheduled work day or more than eight (8) hours on a regularly scheduled day Off.
3. When required to report for work on any two or more days of a group of regularly scheduled consecutive days off he shall be credited at time and one half for all hours worked on the second and subsequent of such days.

NOTE 1: When overtime is required on the second and subsequent days off, any employee having worked an overtime shift will be placed on a secondary overtime call-in list and only called after those on the regular overtime call-in list.

B. No overtime credit will be allowed for the following:

1. Shift Changeover.
2. When voluntarily covering a shift or part of a shift for another Dispatch Employee.
3. When, with the approval of Flight Dispatch Centre Management, two Dispatch Employees exchange shifts.

C. When Dispatcher overtime is required and a Dispatcher is not available to work, the senior available Qualified Dispatcher in Training may work the overtime. The method of rotation of overtime for Dispatchers and Dispatchers in Training will be mutually agreed between Flight Dispatch Centre Management and the Local Council Chairperson,

D. Dispatcher and Dispatcher in Training overtime shall be offered and awarded only to those individuals qualified to perform the assigned duties for which the overtime is being called.

5.05 Time Bank

A Dispatch Employee shall have to utilize a time bank for the purpose of recording time credits without immediately affecting his pay.

- (a) The Company will provide the Dispatch Employee the option of unlimited banking of overtime. Banked overtime may be taken as time off in accordance with paragraph (e) below or paid out at the request of the Dispatch Employee. Overtime earned in any one pay period must be banked or paid out entirely.

- (b) Any credits remaining in the Dispatch Employee's time bank at the end of the last pay period of November each year shall be cleared on the last pay cheque of the calendar year at the applicable rate being received by the Dispatch Employee on the last day of that pay period or used by the Dispatch Employee at his option to bid any remaining unbid vacation made available by the Company.
- (c) Time credits for statutory holidays as provided in Article 7 of this agreement shall be credited to the Dispatch Employee's time bank.
- (d) Accrued time credits may be withdrawn from the time bank in the form of time off. Time off will be granted in accordance with the desires of the Dispatch Employee and consistent with the requirements of the Company. The method of rotation of time credit withdrawals will be agreed upon between the Company and the Association,
- (e) Time lost due to a Dispatch Employee's absence from duty on a scheduled work day, which has been approved by the Company, shall be debited from the Dispatch Employee's time bank.

**ARTICLE 6
VACATIONS**

Full Calendar Months of Continuous Service	Calendar Days of Vacation Leave With Pay
1	1
2	2
3	4
4	5
-	-
7	8
8	9
9	11
10	12

Dispatch Employees who have completed one (1) year or more of continuous service by December 31st of each year will be granted fourteen (14) calendar days vacation leave with pay.

Dispatch Employees who have completed five (5) years or more of continuous service by December 31st of each year will be granted twenty-one (21) calendar days vacation leave with pay.

Dispatch Employees who have completed fifteen (15) years or more of continuous service by December 31st of each year will be granted twenty-eight (28) calendar days vacation leave with pay.

Dispatch Employees who have completed twenty-five (25) years or more of continuous service by December 31st of each year will be granted thirty-five (35) calendar days vacation leave with pay.

Vacation Entitlement Based on a 6/3 Cycle

VACATION	ONE WEEK	TWO WEEKS	THREE WEEKS	FOUR WEEKS	FIVE WEEKS
DAYS WORKING DAYS	1 2 3 4 5 6 X	X X 7 8 9 10 11	12 X X X 13 14 15	16 17 18 X X X 19	20 21 22 23 24 X X

- 6.02 Vacation leaves will be taken in consecutive days (unless special circumstances in individual cases warrant otherwise), and at such time as the services of the Dispatch Employee can be spared; said vacation to be made available during the twelve month period January 1 to December 31. It is not cumulative and will be forfeited if not taken during the twelve months immediately following the period which it is granted, unless special circumstances warrant otherwise and prior arrangements are made.
- 6.03 Preference of vacation periods shall be granted to Dispatchers in order of Dispatcher seniority.
- 6.04 In the event of termination of employment with the Company, a Dispatch Employee shall be paid for vacation not previously taken.
- 6.05 By October 1st of each year, the Company shall provide a list of available vacation periods and the Dispatch Employees shall be required to indicate their preference for vacation periods in sufficient time to permit posting of the vacation list by December 31st of the year preceding that which the vacation will be taken.

When establishing the available vacation periods, the Company will relate their duration to the work schedule established for the Flight Dispatch Centre, i.e. 6/3 - 9 day period, 5/2 - 7 day period, or other such periods to facilitate scheduling.

- 6.06 A. Dispatch Employees with less than four (4) weeks annual vacation may elect to split their vacation into not more than two (2) periods; those with four (4) weeks annual vacation may elect to split their vacation into not more than three (3) periods; and those with five (5) weeks annual vacation may elect to split their vacation into not more than four (4) periods.
- B. Between July 1st and September 1st, a Dispatch Employee's vacation bid will be limited to three (3) cycles through this period. Extensions of two (2) working days through July 1st or August 31st are permitted in addition to the three (3) cycles.
- C. The method of selection for the first period will be in accordance with Article 6.03, and the selection of the second, third and fourth periods of vacation will be determined in the same manner after all eligible Dispatch Employees have indicated their first, second and third choices, as appropriate.

Note: The Company, at its discretion, may offer more or unlimited vacation splits of at least three days in any given year. This intention will be made known by October 1 of each year for the following years vacation entitlement.

- 6.07 Dispatch Employees who are absent from work due to illness/injury for a complete calendar year shall not be entitled to vacation credits normally taken in that year.
- 6.08 Vacation that is released by Dispatch Employees exercising the provisions of Article 19.09 may be re-bid subject to operational requirements of the Company.
- 6.09 Based on the needs of the service the Company may offer vacation buy-back opportunities throughout a vacation year in accordance with the following parameters.

Subject to the availability of vacation buy-back, Dispatch Employees with a total yearly vacation entitlement of thirty-five (35) days may at their option cash clear up to a maximum of fourteen (14) days of vacation. Dispatch Employees with a total yearly vacation entitlement of twenty-one (21) days or more may at their option cash clear up to a maximum of seven (7) days vacation. Vacation released by this buy-back, will only be re-bid at the discretion of the Flight Dispatch Centre Management.



**ARTICLE 7
STATUTORY
HOLIDAYS**

7.01 The following 9 holidays are recognized by this Agreement, as defined per the Canada Labour code:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Christmas Day	Boxing Day
Canada Day	

7.02 Time credits for the holidays listed in Article 7.01 shall apply as follows and be credited to the Dispatch Employee's time bank.

- A. Where a holiday falls on a Dispatch Employee's scheduled working day and he is granted the day off, he shall receive no additional credit.
- B. Where a holiday falls on a Dispatch Employee's scheduled working day and he is required to work, he shall receive additional credit of twelve (12) hours.
- C. Where a holiday falls on a Dispatch Employee's regular day off, he shall be credited with eight (8) hours, This shall be in addition to overtime credits for any work done on such regular day off.
- D. Where a holiday falls on a Dispatch Employee's scheduled working day and he is on Company sick leave with pay, he shall not be entitled to an additional credit for the statutory holiday.

**ARTICLE 8
SENIORITY**

8.01 The Company shall maintain a seniority list consisting of seniority rankings, names, dispatch entry dates and Company service dates of all Dispatch Employees and those covered under Article 3 of this Agreement. Such list shall be known as the "**AIR CANADA FLIGHT DISPATCHER SENIORITY LIST**".

8.02 The seniority ranking of a Dispatch Employee shall be established from his entry date into Flight Dispatch. In cases of duplicate dates of employment, the Company Service Dates shall be used to establish seniority. In cases of duplicate Company Service Dates, the ranking will be established by lottery, with the lower number being more senior. Each affected Dispatch Employee will draw from a shielded container having not less than one hundred (100) numbered chips. The person who selects the lowest numbered relative ranking will be considered to have the greater seniority. After each individual draw, the number will be returned to the container and re-mixed. In the event that duplicate numbers are drawn, those individuals will be placed in sequence for ranking and they will redraw to break the tie following the initial selection.

- 8.03 Seniority lists shall be revised March 31st of each year to show additions and deletions, and shall be posted in the Flight Dispatch Centre within thirty (30) days following such revisions. Each person concerned shall have a period of thirty (30) days following posting of these seniority lists to advise the Company of any inaccuracy affecting his seniority. A Committee composed of a Company representative and a representative of the Association shall investigate the reported inaccuracies and issue a revised list, if necessary, which shall be posted in the above manner.
- 8.04 When a Dispatch Employee named in the "Air Canada Flight Dispatcher Seniority List" is reclassified to a position outside the agreement (not including positions covered in Article 3), he shall retain and continue to accrue seniority as a Dispatcher or Dispatcher in Training for a period of five (5) years from the date of transfer. If such employee returns to active Dispatch duties within one (1) year from the date of reclassification he shall be permitted to assume his former position, his position meanwhile being filled on a temporary basis at the discretion of the Company. If such Dispatch employee does not return to his former position within one (1) year from the date of transfer, he may only return to a Dispatch position in the event of a declared Dispatcher or Dispatcher in Training vacancy. Pay progression will not accrue during this time. If such Dispatch employee does not return to either a Dispatcher or Dispatcher in Training position within five (5) years from the date of transfer, his name will be removed from the "Air Canada Flight Dispatcher Seniority List".
- 8.05 Any Dispatch Employee named in the "Air Canada Flight Dispatcher Seniority List" once having established a seniority ranking hereunder shall not lose that ranking except as provided in this Agreement.
- 8.06 Any Dispatch Employee named in the " Air Canada Flight Dispatcher Seniority List" (reference Article 8.01) who resigns from the service, deserts the service, retires on pension, fails to return to employment as per Article 11.06 or 13.06, or is discharged for just cause shall forfeit all seniority accrued and his name shall be removed from the Seniority List.

**ARTICLE 9
PERIOD OF
PROBATION**

- 9.01 Newly hired Dispatch Employees shall be on probation for twelve (12) months. In special circumstances, this probationary period may be extended an additional three (3) months (at the Dispatch Employee's original rate of pay) and, in such cases, the Dispatch Employee will be advised by the Company in writing stating reasons, with a copy being provided to the Association.

**ARTICLE 10
FILLING OF
ASSIGNMENTS**

- 10.01 In matters involving advancement the decision shall rest with the Company provided that in the case of Dispatch Employees with equal ability, the employee possessing the greater seniority shall receive the preference.

**ARTICLE 11
REDUCTION OF
SYSTEM STAFF**

- 11.01 In all matters involving reduction of staff, stepping back of classification and recall, employees possessing the greater seniority shall receive the preference to retain or resume employment as a Dispatch employee.
- 11.02 In the event of a reduction in the number of Dispatch Employees at the Flight Dispatch Centre, the most junior Dispatch Employee in the classification affected shall be laid-off. The period of eligible recall shall be five (5) years from date of lay-off or such longer period as may be mutually agreed upon.
- 11.03 A Dispatch Employee laid-off under the provisions of this Article may, at the discretion of the Company and subject to the needs of the service, be assigned to a position where his experience and ability may be of benefit to the Company. The period of eligible recall shall be five (5) years from date of lay-off or such longer period as may be mutually agreed upon.
- 11.04 If a Dispatch Employee who had been laid off or as a result of reduction of staff is reassigned to another position within the Company is offered recall to a permanent Dispatch Employee assignment and such employee elects not to accept the offer of recall, his seniority as a Dispatch Employee shall be forfeited.
- 11.05 A Dispatch Employee who has been released due to the reduction of force shall file his address with the office of the Flight Dispatch Centre manager and shall thereafter promptly advise the Flight Dispatcher Centre manager of any change in address.
- 11.06 A Dispatch Employee shall not be entitled to preference in re-employment if he does not comply with the foregoing requirements, or if he does not return to the service of the Company within fifteen (15) days, or such longer period as may be established by the

Company after notice to do so, sent by Courier post to the last address filed with the Flight Dispatch Centre manager.

- 11.07 Each Dispatch Employee affected by reduction of staff shall be permitted two (2) weeks after the effective date of such reduction in which to exercise the provisions of Article 11.03 after the expiration of which time limit he shall forfeit his right to exercise.

ARTICLE 12 EXPENSES

- 12.01 Dispatch Employees while away from their home office in connection with their duties, regular or special or temporary assignments, or enroute qualification or familiarization flights shall be allowed reasonable expenses incurred for lodging, meals and transportation, in accordance with published Company Regulations.

ARTICLE 13 LEAVE OF ABSENCE

- 13.01 When the requirements of the service will permit, a Dispatch Employee may be granted a leave of absence without pay for a period of six (6) months for any reason deemed adequate by the Company. When the requirements of the service will permit, a Dispatch Employee with three (3) years or more of continuous service with the Company may be granted a leave of absence without pay for a period of up to five (5) years for any reason deemed adequate by the Company.
- 13.02 When such leaves are granted, a Dispatch Employee shall retain seniority. However, should he engage in other employment while on such leave of absence, he shall lose his seniority unless special written permission has first been obtained from Company. Pay progression will not accrue and employees will be without benefits during time on leave. If such Dispatch Employee returns to active Dispatch duties within one (1) year from the commencement of an authorized leave as provided herein, he shall be permitted to assume the former position to which he was assigned prior to the commencement of his leave. In the case of Chief Flight Dispatcher and Chief Duty Dispatcher, should the duration of the employee's leave be greater than one (1) year, the employee will be returned to the Flight Dispatcher classification.
- 13.03 Leave of absence shall be granted to Dispatch Employees ordered to or who volunteer for extended military duty with the Canadian Forces in time of war or national emergency.
- 13.04 Positions made vacant by authorized leaves of absence may be filled on a temporary basis at the discretion of the Company.
- 13.05 A Dispatch Employee shall retain and accrue seniority while receiving benefits from the Group Disability Income Insurance Plan. If for medical reasons he is unable to be employed as a Dispatch Employee at the termination of benefits from the Plan, he will continue to retain and accrue seniority provided he is employed elsewhere within the Company.

- 13.06** Following termination of benefits under the Group Disability Income Insurance Plan a Dispatch Employee who is medically unfit to be employed as a Dispatcher or a Dispatcher in Training who is not employed within the Company in any capacity shall retain his seniority for one (1) year.
- 13.07** During the first two (2) years that a Dispatch Employee received continuous benefits from the Group Disability Income Insurance Plan, he will be permitted to return to his former position upon recovery from his illness or injury, During this period, the vacancy will be considered temporary. A Dispatcher vacancy will be filled by the temporary promotion of the senior Qualified Dispatcher in Training at the Flight Dispatch Centre. A Dispatcher in Training vacancy may be filled by temporary assignment.
- This period may be extended beyond two (2) years by mutual agreement between the Association and the Company. At the termination of this period, the vacancy will be posted and staffed in accordance with the provisions of Article 10. Should the Dispatch Employee subsequently become fit to resume employment as a Dispatcher or a Dispatcher in Training, he may at that time exercise his seniority by bidding on any vacancy which exists, or, if no vacancy exists or he is not the successful bidder, by displacing the most junior person in his classification. An employee who is displaced as a result of the application of this paragraph would then have access to exercising the provisions of Articles 11.03 and 11.07.
- 13.08** Child Care responsibilities and Bereavement Leave will be in accordance with Company Policy.

**ARTICLE 14
SICK LEAVE**

- 14.01** Sick leave will be in accordance with Company Policy. The "waiting period" as provided for in the Company Policy will not apply to the employees covered by this Agreement.

**ARTICLE 15
OPERATIONAL
IRREGULARITIES**

- 15.01** The Dispatch Employee on duty in whose flight dispatch area a serious operating irregularity occurs will be permitted to attend any Company hearing or investigation being conducted into the serious operating irregularity when it is considered the actions of the Dispatch Employee had a bearing on the said irregularity or on events and circumstances leading thereto. The Dispatch Employee shall have the right to require the presence of a witness of his own choice or be represented by his duty accredited representative or representatives at the hearing or investigation.
- 15.02** Such representatives or witnesses who are employees of the Company shall, subject to space available, receive free transportation over the lines of the Company from the point of duty to the point of hearing and return.

**ARTICLE 16
GRIEVANCE
PROCEDURE -
GENERAL**

- 16.01 A. It is the desire of the parties to this Agreement that local complaints or grievances be settled as promptly as possible.
- B. Appeals from disciplinary or discharge action are excluded from the provisions of this Article and will be handled in accordance with Article 17.
- 16.02 A. Grievances under this Article shall be initiated by the aggrieved Dispatch Employee who may elect to be represented by the Association.
- B. Grievances of a general nature may be initiated by the Company or the Association of the appropriate step depending on the nature and scope of such grievance.
- C. Grievances must be filed within thirty (30) calendar days after the Dispatch Employee would have reasonable knowledge of the occurrence of the facts giving rise to the grievance.
- 16.03 A Dispatch Employee who considers himself aggrieved may, after first attempting to obtain a satisfactory adjustment with his direct manager, appeal through the following steps in writing outlining both the nature of the grievance and the facts involved.
- Step 1 The General Manager, Flight Dispatch (or his designated representative)
- Step 2 The Vice President, Flight Operations (or his designated representative)
- Step 3 The Vice President, Labour Relations (or his designated representative)
- Note:** Step 2 is only applicable when the grievance is an operational control issue.
- 16.04 Where the procedures outlined in Article 16.03 above have been exhausted, either the Company, the Association or the aggrieved may initiate the arbitration procedures in accordance with Article 18 within thirty (30) calendar days of receipt of the final Company decision provided the grievance involves the interpretation, application or alleged violation of the provisions of this Agreement.
- 16.05 A. The following shall apply at all levels of the grievance procedure specified in Article 16.03 above.
1. A hearing shall be held within seven (7) calendar days of receipt by the Company of a grievance.
 2. Appeals must be lodged in writing within seven (7) calendar days of receipt of any decision.

3. All decisions shall be rendered within seven (7) calendar days of the hearing and shall be communicated in writing to the parties concerned including in all cases the Association.

B. The time limits specified in paragraph A above may be extended by mutual agreement in writing.

C. Any decision not appealed within the relevant time limits shall be final and binding on the parties concerned.

16.06 All employee witnesses called by the Association or the Dispatch Employee concerned shall be granted time off without pay subject to the requirements of the services and shall be provided with space **available transportation to and** from the hearing.

**ARTICLE 17
GRIEVANCE
PROCEDURES
DISCIPLINE OR
DISCHARGE**

- 17.01 A. A Dispatch Employee may be held out of service with full pay by the Company for not more than seven (7) calendar days pending investigation of an alleged irregularity or misdemeanour.
- B. Where a Dispatch Employee is involved in an alleged irregularity or misdemeanour and a preliminary enquiry requires direct questioning of the Dispatch Employee, he shall first be advised that the interrogation is to be determined his connection, if any, with the alleged irregularity or misdemeanour and shall be entitled to be accompanied by his duly accredited representative(s).
- 17.02 A. Where disciplinary action is taken, the Dispatch Employee will be notified in writing along with the reasons for such decisions and informed of his right to appeal.
- B. Where discharge action is considered, the Dispatch Employee shall be suspended pending discharge; notified of the reasons for such decision in writing and informed of his right to appeal.
- 17.03 The provisions of this Article do not apply to Dispatch Employees during their probationary period when terminated for issues related to competency.
- 17.04 A Dispatch Employee who has been disciplined or suspended pending discharge and who considers himself unjustly dealt with may appeal through the following steps in writing and may elect to be represented by the Association:
- Step 1 The Vice President, Flight Operations (or his designated representative)
- Step 2 The Vice President, Labour Relations (or his designated representative)
- Note: Step 1 is only applicable when the grievance is an operational control issue.
- 17.05 Where an appeal is lodged under this Article the Company Officer or his designated representative may either uphold a previous Company decision, fully exonerate and reinstate the employee with pay for all time lost or render such intermediate decision as he considers to be just and equitable.
- 17.06 Where the procedures outlined in Article 17.04 above have been exhausted, the Dispatch Employee concerned may initiate the arbitration procedure in accordance with Article 18 within thirty (30) days of receipt of the final Company decision.
- 17.07 A. The following shall apply at all levels specified in Article 17.04 above.
1. Appeals must be lodged in writing within seven (7) calendar days of receipt of any decision.

2. A hearing shall be held within seven (7) calendar days or receipt of notice of appeal.
3. All decisions shall be rendered within seven (7) calendar days of any hearing and shall be communicated in writing to the parties concerned, including in all cases the Association.

- B. The time limits specified in Paragraph A above may be extended by mutual agreement in writing.
- C. Any decision not appealed within the relevant time limited shall be final and binding on the parties concerned.

17.08 In cases of disciplinary or discharge action where no appeal is lodged by the Dispatch Employee, he may be disciplined or discharged effective the day following the appeal periods specified.

17.09 All employee witnesses called by the appellant shall be granted time off without pay subject to the requirements of the service and shall be provided with space available transportation to and from the hearing.

ARTICLE 18 ARBITRATION

18.01 A. A board of Arbitration shall be established when required and shall consist of one member appointed by the appellant, one appointed by the respondent and one Chairperson appointed by agreement between the appointees of the appellant and the respondent, or failing such agreement, by the Minister of Labour, at the request of either appointee.

B. Each party must appoint its member to the Board within seven (7) days of receipt by the other party of a written submission to arbitration pursuant to Articles 16.04 or 17.06.

NOTE: By mutual consent, the parties may submit any matter to a single arbitrator for determination in accordance with the provisions of this Article.

18.02 A. The Board shall have jurisdiction to consider any matter properly submitted to it under the terms of this Agreement.

B. The Board shall have no jurisdiction to consider any request for the modification of or addition to this Agreement or any matter which by the terms of this Agreement is exclusively vested in Management.

18.03 A. The board shall establish its own procedures having due regard to the requirements of Natural Justice.

B. The Board shall make every effort to render a decision with the minimum delay and in no case more than one (1) month from the date of the final hearing.

- 18.04** The Board shall have no jurisdiction to alter, modify, amend or make any decision inconsistent with the terms of this Agreement.
- 18.05** The Board, in the case of a grievance appeal, shall have the authority to render any decision that it considers just and equitable consistent with the terms of this Agreement.
- 18.06** In case of disciplinary or discharge appeals, the Board may uphold the Company's final decision, fully exonerate and reinstate the Dispatch Employee with pay for all time lost or render such intermediate decision as it considers just and equitable.
- 18.07** A. A majority decision shall constitute the decision of the Board but failing such majority, the decision of the Chairperson shall govern.
- B. A decision of the Board shall be final and binding on the Association, the Dispatch Employee and the Company.
- 18.08** All employee witnesses called by the Board, the Association or the Dispatch Employee concerned, shall be granted time off without pay subject to the requirements of the service, and shall be provided with space available transportation to and from the hearing.
- A. The expenses incurred by the Board shall be borne equally by each party.
- B. Each party shall assume the expenses incurred by its own appointee.

**ARTICLE 19
GENERAL
PROVISIONS**

- 19.01** A. Copies of Agreement: The Company shall provide each Dispatch Employee with a printed copy of this Agreement. The external cost of printing the Collective Agreement to be shared on a 50/50 basis between the Association and the Company.
- B. Should any part or provision of this Agreement be rendered invalid by reason of existing or subsequent enacted legislation by the Government of Canada, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof and they shall remain in full force and effect.
- 19.02** Orders to Dispatch Employees: All orders to a Dispatch Employee involving a change in location or assignment, promotion, demotion, dismissal, layoff, disciplinary action and leave of absence shall be stated in writing. In all matters involving demotion, discipline and dismissal, the reason for this action shall also be stated in writing.
- 19.03** Technological Change: In the event of technological changes that will affect the conditions of employment of any employee(s) in the bargaining unit, the Company shall enter into discussions with the Association as far in advance as possible before such changes are made, for the purpose of affording every possibility of continuous employment for the Dispatch Employees affected.

19.04 Check off of Association Dues

- A. The Company shall deduct on the payroll for the first pay period of each month from wages due and payable to each employee coming within the scope of this Collective Agreement an amount equivalent to the monthly Association dues of the Association, subject to the conditions set forth hereunder.
1. The amount to be deducted shall be equivalent to the regular dues payment of the Association and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of Agreement excepting to conform with a change in the amount of regular dues of the Association in accordance with its constitutional provisions.
 2. Membership in the Association shall be available to any employee eligible under the constitution of the Association on payment of the initiation or reinstatement fees uniformly required of all other such applicants by the Association. Membership shall not be denied for reasons of race, national origin, colour or religion.
 3. Deductions shall commence on payroll for the first pay period of the calendar month following completion of thirty (30) calendar days after date of employment in a position covered by this Agreement, but in no case shall deductions commence earlier than the payroll for the first pay period of the calendar month following completion of thirty (30) days after date of last entry into the Company.
 4. If the wages of a Dispatch Employee payable on the payroll for the first pay period of any month are insufficient to permit the deduction of a full amount of dues, no such deduction shall be made from the wages of such Dispatch Employee by the Company in such month. The Company shall not, because the Dispatch Employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.
 5. Only payroll deductions now or hereafter require by law, deduction of monies due or owing the Company, pension deduction and deductions for provident funds shall be made from wages prior to the deduction of dues.
 6. The amount of dues so deducted from wages accompanied by a statement of deductions from individuals, shall be remitted by the Company to the Association, as may be mutually agreed by the Association and the Company not later than thirty (30) calendar days following the pay period in which the deductions are made.
 7. The Company shall not be responsible financially or otherwise either to the Association or to any Dispatch Employee for any failure to make deduction or for making improper or inaccurate deductions or remittance. However, in any instance in which an error occurs in the amount of any deduction of dues from a Dispatch Employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Association, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts

deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the Association.

8. The question of what compensation, if any, shall be paid to the Company by the Association in recognition of services performed under Article 19.05 shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) day's notice in writing.
9. In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to Article 19.05A of this Agreement, both parties shall cooperate fully in the defence of such action. Each party shall bear its own cost of such defence except that if at the request of the Association, counsel fees are incurred these shall be borne by the Association. Save as aforesaid, the Association shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.

19.05 **Saving Clause:** Where the provision of this Agreement are at a variance with the Company regulations, the former shall take precedence.

19.06 **Severance Pay:**

- A. A permanent Dispatch Employee covered by this Agreement who has completed one (1) year of continuous service under this Agreement immediately prior to being laid off through no fault or action of his own, including layoff resulting from merger or geographical relocation, shall receive severance pay as provided in Paragraph B, subject to the limitations and conditions set forth herein, but he shall receive no severance pay if any one or more of the following conditions exists:
 1. He exercises his seniority in order to remain in the employ of the Company or accepts transfer.
 2. He accepts any other employment with the Company or refuses to accept a job in his own or comparable work classification under this Agreement.
 3. He fails to exercise his seniority which would enable him to remain in the employ of the Company.
 4. The layoff is caused by an act of God, a national war emergency, revocation of the Company's operating certificates or certificate, or grounding of a substantial number of Company aircraft for reasons beyond the Company's control.
 5. The off-duty status results from a strike, lockout or picketing of the Company's premises.
 6. He is on leave of absence on the effective date of layoff. In the case of a Dispatch Employee on leave of absence due illness on the date of layoff, the provisions will become effective on the date that he is able and reports for work following termination of such leave of absence.

7. His service is terminated as a result of discipline, retirement, medical reasons or resignation other than as a direct result of, or during a layoff.

B. The amount of severance pay due under this Article shall be based on the length of actual straight time continuous service with the Company, and shall be computed on the basis of the employee's regular straight time weekly rate at time of layoff as follows:

If Dispatch Employee has completed	Severance Allowance
1 to 3 years	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years but less than 13 years of service	12 weeks
13 years but less than 14 years of service	13 weeks
14 years but less than 15 years of service	14 weeks
15 years but less than 16 years of service	15 weeks
16 years but less than 17 years of service	16 weeks
17 years but less than 18 years of service	17 weeks
18 years but less than 19 years of service	18 weeks
19 years but less than 20 years of service	19 weeks
20 years but less than 21 years of service	20 weeks
21 years but less than 22 years of service	21 weeks
22 years but less than 23 years of service	22 weeks
23 years but less than 24 years of service	23 weeks
24 years but less than 25 years of service	24 weeks
25 years but less than 26 years of service	25 weeks
26 years but less than 27 years of service	26 weeks
27 years but less than 28 years of service	27 weeks
28 years but less than 29 years of service	28 weeks
29 years but less than 30 years of service	29 weeks
30 years and thereafter	30 weeks

D. In the event that a laid off Dispatch Employee is recalled or obtains other employment with the Company without having used all his severance pay, the unused time will be credited to his account, however, service for additional severance pay credits will only be accumulated from his date of recall to the position from which he was laid off.

19.07 Reorganization of Corporate Structure

In the event of a change in ownership of the Company, merger with another company, or any other change in corporate identity, this agreement will remain in full force and effect. The recognition then in effect, issued by the Canadian Industrial Relations Board shall not be affected in any way, unless otherwise governed or directed. The Company further agrees to enter into negotiations with the Association relative to protection of the Dispatch Employees seniority and other conditions of this agreement. Failing settlement provisions of the Canada Labour Code will apply.

19.08 Paycheque Distribution

Employees covered under this Agreement are required to have their paycheques deposited directly to a recognized financial institution within the territorial limits of Canada. In addition, Dispatch Employee pay information will be mailed to an address designated by the employee.

19.09 Early Retirement

Dispatch Employees applying for early retirement are requested to advise the Company a minimum of nine (9) months prior to the requested early retirement. Dispatch Employees who advise the company prior to the vacation bid may select their vacation outside the normal bid process from the day following their last scheduled shift.

19.10 Hold Harmless Clause

The Company shall indemnify a Dispatch Employee or his Estate and provide defence against any claims, whether by third parties or by fellow employees, arising out of such Dispatch Employee's performance of his duties with the Company as a Dispatch Employee, unless such claims arise from the wilful misconduct of the Dispatch Employee.

19.11 Off-Duty Status

The Association acknowledges the Company's right to place Dispatch Employees on "off-duty status without pay" under circumstances where the Company discontinues its revenue operations due to an Act of God, national war emergency, revocation of the Company's operation certificates or certificate, strike, lockout or picketing of the Company's premises, grounding of a substantial number of Company aircraft or other circumstances over which the Company has no control.

The Association will be informed of:

- a) the Company's intention to place Dispatch Employees on "off-duty status without pay" and,
- b) the general/detailed handling of employees covered by the Agreement.

Dispatch Employees will be given a minimum of twenty-four (24) hours notice of intended action before being placed on "off-duty status without pay". Where such notice is verbal, it will be subsequently confirmed in writing. In any event, "off-duty status

without pay" will not commence until twenty-four (24) hours after cessation of service or the events contemplated in the Article have commenced.

Where Dispatch Employees are retained or return to duty to perform required work, qualified Dispatch Employees shall be assigned to such work on the basis of seniority.

NOTE: Any errors in the administrative process of assigning Dispatch Employees within the provisions of this article will be corrected with seventy-two (72) hours of the error being identified to the Company by either the affected Dispatch Employee or the Association. Such errors will not be subject to the grievance procedure or any compensation for the period of time involved.

When Dispatch Employees covered by this Agreement are placed on "off-duty status without pay", other employees will not perform work normally assigned to such Dispatch Employees.

No over time will be worked in a classification covered under this Collective Agreement while Dispatch Employees are on "off-duty status without pay" within that classification unless agreed to by the Association.

A Dispatch Employee on a "leave of absence without pay" will retain his current status until the scheduled termination of such leave at which time the Dispatch Employee will be placed on "off-duty status without pay".

Dispatch Employees on vacation at the time "off-duty status without pay" commences, will continue on such vacation with pay for the dates of the actual vacation only.

Dispatch Employees whose vacations are scheduled to start **after** commencement of and during "off-duty status without pay" will take such vacation with pay as scheduled. Such vacations will not be postponed or re-scheduled.

A Dispatch Employee may fully or partially liquidate time credits residing in the employee's time bank as of the commencement of "off-duty status without pay". Such time bank liquidation requests are to be submitted to the Company in writing and may occur at any time during the "off-duty status without pay" period.

Undertake debits against gross earnings shall be the sum of all working days scheduled but not worked during the "off-duty status" period. Such determinations shall be based on the last Company published Flight Dispatch shift schedule prior to the Dispatch Employee being placed on "off-duty status without pay". At no time shall overtime debits for the period of a Dispatch Employee's "off-duty status without pay" exceed gross earning entitlements for that same period.

Company sick leave benefits will not be granted to a Dispatch Employee on "off-duty status without pay". However, any illness during the period of "off-duty status without pay" may be reviewed at the Company Headquarters level upon request of the Association. However, a Dispatch Employee who is in receipt of GDIP benefits will continue to receive such benefits until his disability ceases. At that time he will be placed on "off-duty status without pay".

Deductions for insurance premiums will continue to be made on any "full" or "part" pay cheque issued. However, when pay has ceased, the Company will arrange to have

coverage continued. The premiums for such coverage being deducted from pay cheques after a Dispatch Employee's return to work.

If off-duty status situations covered by this article, Dispatch Employees will be provided, on a request basis, a one-time opportunity to elect voluntary "off-duty status without pay". Such requests will be approved by the Company; subject to operational requirements. Such requests for voluntary "off-duty status without pay" may not be changed regardless of the duration of the period of off-duty status. Such Dispatch Employees are also ineligible for short-term/temporary return to work assignments unless identified by the Company, as an operational requirement, and the Dispatch Employee must then return to work in accordance with instructions received.

Recognizing that "off-duty status without pay" is disruptive to all Dispatch Employees, prior to exercising the provisions of this article the Company will consider alternative solutions that are economically viable.

**ARTICLE 20
DURATION OF
AGREEMENT**

20.01 Consistent with the parties' mutual interest in a long stable relationship, the parties agree as follows:

This agreement is effective from August 1, 1999 and includes changes as agreed to between the parties in memoranda of understanding dated November 5, 1999, September 30, 2000, May 28, 2003, May 15, 2004 and October 28, 2006 as per Preamble 1.01 of this agreement. It shall continue in full force until June 30, 2009 and shall be subject to variation by mutual agreement between the parties. It shall remain binding from year to year thereafter unless notification in writing to amend, modify or change the agreement is served by either of the parties hereto on the other, such notification to be served not later than sixty (60) days prior to the expiration date in any year. In the event that notice is given of intended amendments, modifications or changes, this agreement shall remain in full force and effect while negotiations are being carried out for the arrangement of a new agreement

[REDACTED]

**LETTER OF
UNDERSTANDING
NO. 1**

When the normal Dispatcher shift schedule is based on an average of one **day** off for each **two** days worked, as referred to in Article 5 - paragraph 5.01 (B), and a Qualified Dispatcher in Training is assigned as a Dispatcher on a temporary basis, he will be credited with one and one-half (1 1/2) days for each day he works as a Dispatcher for purpose of establishment entitlement to progression within the Dispatcher salary scale when so assigned.

Example

3 days worked X 1.5 = 4.5 days credit

Previous accumulation: 41.5 days

plus 4.5 days
New accumulation: 46 days

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August in the year Nineteen Hundred and Ninety-nine (1999) A.D.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee



**LETTER OF
UNDERSTANDING
NO. 2**

When a qualified Dispatcher in Training works as a Dispatcher in excess of ninety (90) work days during a Calendar Year, his annual vacation accrued during that year, which is to be taken during the succeeding year, will be paid at the Dispatcher rate determined by the application of Letter of Understanding No. 1

NOTE: Should a Qualified Dispatcher in Training's temporary assignment as a Dispatcher continue uninterrupted for a period of three hundred and sixty-five (365) calendar days, inclusive of vacation, then said Qualified Dispatcher in Training shall be entitled to progress to the next higher level on the Dispatcher salary scale.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August in the year Nineteen Hundred and Ninety-nine (1999) A.D.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee

**LETTER OF
UNDERSTANDING
NO. 3**

The Company agrees that a Dispatch Employee covered by this Agreement will not be denied a promotion, demoted or laid off because he is unable to acquire the language skills required by the job.

In the event that a Dispatch Employee is required by the Company to acquire a second language, the Company will assist such Dispatch Employee by providing language training at Company expense and on Company time.

A Dispatch Employee who is unable to achieve the necessary language proficiency may be transferred, at Company expenses, to another position at a similar job level for which he can qualify within a reasonable length of time.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 23rd day of July in the year Nineteen Hundred and Eighty-one (1981) A.D.

FOR: AIR CANADA

L.F. McIntyre
Senior Director, Payload & Operations
Control

N.A. Radford
Director, Labour Relations
Technical Personnel

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

E.M. Verrecchia
President, Canadian Airline Dispatchers
Association

R.B. Simpson
Committeeman

A. Sandziuk
Director, Air Canada Airline Executive
Council



LETTER OF
UNDERSTANDING
NO. 4

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LETTER OF
UNDERSTANDING
NO. 6

Association - Management Headquarters Meetings will be held at least once each calendar quarter between representatives of the Association and Flight Operations/Human Resources Management.

The dates of these meetings will be established by mutual agreement and minutes will be prepared and provided to both parties.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 9th day of May in the year Nineteen Hundred and Eighty-six (1986) A.D.

FOR: AIR CANADA

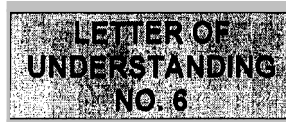
J.J. Nosko
Director, Labour Relations
Arbitration & Research

E.F. Scott
Director, Flight Dispatch

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

A. Sandziuk
President, CALDA

R.B. Simpson
Council Chairman - Air Canada



GROUP INSURANCES

L6.01 GROUP LIFE INSURANCE

Effective November 1, 2000, the Company will pay the full cost of the Group Life Insurance premiums up to a maximum coverage of \$80,000. Coverage in excess of \$80,000 will be shared on a 50/50 basis. The level of coverage will be two and one-half (2 1/2) times the basic annual salary up to a maximum of \$120,000. The maximum level of coverage upon retirement will be one-quarter (1/4) of the amount of coverage being paid for by the Company up to a maximum of \$10,000.

In addition, the Company agrees to provide Basic Accidental Death and Dismemberment Coverage in the amount of \$75,000.

L6.02 GROUP DISABILITY INCOME INSURANCE

The Company will pay the full cost of the Group Disability Income Insurance premiums. The maximum salary covered under the GDIIIP plan will be increased from \$5500 to \$6000 per month for any disability covered under the plan effective the pay period following the date of ratification of this agreement.

L6.03 SUPPLEMENTARY HEALTH INSURANCE

.01 The Company will pay the full cost of the supplementary Health Insurance premiums (Plan II). Effective November 1, 2000 the maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00) with an annual reinstatement of two thousand dollars (\$2,000.00).

.02 The Company will provide and pay the full cost of the S.O.S. Medical Assistance Program.

.03 The special benefit for Involuntary Out-of-Country expenses as outlined in Publication 711, Chapter 9, will be increased from lifetime maximum of \$25,000 to \$50,000.

.04 The Company agrees to amend the Supplementary Health Plan coverage for eligible expenses effective November 1, 2000 as follows :

Psychologist and qualified social worker services at 50% of the cost per visit up to an annual maximum of seven hundred and fifty dollars (\$750.00) per Dispatch Employee and one thousand five hundred dollars (\$1,500.00) total per family.

Hearing aids purchase or repair up to a maximum of seven hundred and fifty dollars (\$750.00) per eligible person in a five (5) year period.

Hospital Rooms in Canada - The supplementary health plan will cover the difference in cost between semi-private and private hospital rooms in Canada at

ninety (90%) percent of the cost. The Dispatch Employee to be responsible for the remaining ten (10%) percent.

Expenses incurred for paramedical services of Chiropractors, Osteopaths, Naturopaths, and Podiatrists will be covered to a maximum of fifty dollars (\$50.00) per visit to a maximum of one thousand dollars (\$1,000.00) per person per year or two thousand dollars (\$2,000.00) per family per year, less any amount paid to the employee for such services under the employee's provincial medical plan.

L6.04 GROUP DENTAL INSURANCE

The Company will pay the full cost of the Group Dental Insurance premiums. The annual maximum benefit will be \$2,000.00 per calendar year. The basic dental services coverage is payable at ninety percent (90%). The maximum lifetime orthodontic for dependent children will be \$2,500.00.

L6.05 VISION CARE INSURANCE

The Company will pay the full cost of the Vision Care Insurance premiums. The benefit level for each employee and each eligible dependent will be not more than two hundred and twenty-five (\$225.00) reimbursement for eyeglasses or contact lenses in each period of twenty-four (24) consecutive calendar months, except for contact lenses prescribed for severe corneal situations, as set out in Company Publications 711. Chapter 8,9,10, the maximum amount payable shall be three hundred and sixty dollars (\$360.00), payable once during the entire period the person is insured.

L6.06 The Company shall be the sole policyholder and administrator of the above mentioned insurance plans.

L6.07 CANADIAN PENSION REFORM

It is agreed that, for those employees covered by this Collective Agreement, the effective date of the Canadian Pension Reform as described in the Pension Benefit Standards Act, 1985 and Regulations, will be January 1, 1987 rather than June 1, 1988 for all active members who are in classifications covered by this Collective Agreement as of June 1, 1988. The term "active members" includes Dispatch Employees under any leave of absence but excludes individuals who have terminated, died or retired prior to June 1, 1988.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee





TIME CHARGES FOR ASSOCIATION ACTIVITIES

The Company will pay for time lost from duty by the following officers and/or members of the Association when involved in the following activities relating exclusively to Air Canada employees:

L7.01 A. GRIEVANCE PROCEDURE GENERAL - FULL COST

Local Council Chairperson and one (1) additional member when presenting grievance at Steps 1 to 3 inclusive.

B. GRIEVANCE PROCEDURE DISCIPLINE/DISCHARGE - FULL COST

Local Council Chairperson and two (2) additional members when presenting a grievance at Steps 1 and 2 inclusive.

L7.02 ASSOCIATION/MANAGEMENT HEADQUARTERS MEETINGS - FULL COST

Local Council Chairperson and one (1) additional representative (maximum 2).

L7.03 COMPANY REQUESTED HEADQUARTERS MEETINGS - FULL COST

All officers and members of the Association that the Company have requested to attend.

L7.04 NEGOTIATIONS

A. Local Council Chairperson and two (2) additional representation at full cost while in direct negotiations with the Company. (Maximum of three representatives at negotiations.)

B. Administrative costs for negotiations (meeting rooms, etc.) to be shared on a 50/50 basis between the Association and the Company.

C. When the Company is assuming the cost of the time involved for direct negotiations and vacation is interrupted, the number of days involved will be considered as vacation earned but not taken. Such vacation may be rescheduled by the Company subject to the requirements of the service.

NOTE: The Company will also absorb the appropriate cost of the time lost by the personnel listed above for travel directly related to the above meetings.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee





AIR CANADA PENSION PLAN - INCOME PROTECTION

L8.01 DEFINITIONS

CPI

The Consumer Price Index for Canada as calculated periodically by Statistics Canada.

Duration

The period extending from the date the notice of the ratification of the Collective Agreement is given to the Company until December 31, 1991.

Adjustment Dates

January 01, 1988, January 01, 1989, January 01, 1990.
January 01, 1991, January 01, 1992

Eligible Beneficiaries

Includes eligible pensioners and eligible survivor

Eligible Pensioner

Any disability pensioner who was a member of CALDA at time of retirement or any other pensioners who, on the adjustment date, has reached age sixty (60) and who, at retirement time, was a member of CALDA.

Eligible Survivor

Either the spouse of a deceased employee who was a member of CALDA at time of death or the spouse of a pensioner who was a member of CALDA at time of retirement and who is in receipt of a survivor income from the Air Canada Pension Plan.

L8.02 PENSION INDEX

The Pension Index for a given year is calculated as the average for the twelve (12) month period ending October 31st in the preceding year of the CPI for each month in that twelve (12) month period.

L8.03 PERCENTAGE ADJUSTMENT

The percentage adjustment for a given year shall be determined as follows:

- (i) Calculate the percentage increase in the Pension Index of the current year over the Pension Index of the immediate preceding year subject to a maximum increase to eight percent (8%), and

- (ii) Multiply the percentage increase obtained in (i) above by fifty percent (50%).

L8.04 PENSIONADJUSTMENT

Monthly pensions ~~otherwise~~ payable to eligible beneficiaries as of an adjustment date are increased by a percentage called the Pension Adjustment Factor determined as follows:

- (i) For eligible pensioners who retire in the twelve (12) month period prior to the adjustment date, except for disability pensioners, the Pension Adjustment Factor is 1/12th of the pension adjustment for each full month prior to the adjustment date.
- (ii) For all other eligible pensioners, and for all survivors, the Pension Adjustment Factor is equal to the applicable percentage adjustment.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of May, 1988.

FOR: AIR CANADA

R. M. Tritt
Manager, Labour Relations

E.F. Scott
Director, Flight Dispatch

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

A. Sandziuk
President - CALDA

P.G. Lunniss
Vice President - CALDA

D.M. McLeod
Assistant Council Chairman - Air Canada





JOB CLASSIFICATION - CHIEF FLIGHT DISPATCHER

The Company and Association agree to establish within the scope of the Collective Agreement the classification of Chief Flight Dispatcher.

The Chief Flight Dispatcher shall be a qualified Dispatcher designated by Flight Dispatch Management to provide leadership, direction, and guidance to the Flight Dispatcher group.

This position shall include the following sub-classifications:

- Chief Flight Dispatcher, Technical
- Chief Flight Dispatcher, Training

Each position, when filled under the terms and conditions of this Letter of Understanding shall be filled by an individual qualified to perform Operational Control duties as per section 725.20 of the Transport Canada Commercial Air Service Standards. Incumbents selected for each position shall perform partial managerial duties and be fully accountable to Flight Dispatch Management for the administrative and functional stewardship of the area(s) over which they preside, and, for the performance of all other Chief Flight Dispatcher duties as outlined within Chapter 2 of Air Canada Publication 560.

Selection emphasis shall be placed on matching the most currently qualified and suitable candidate to the position being filled. The right of selection shall reside with Flight Dispatch Management. In recognition of the mutual benefits to be gained by both parties as a direct result of this practice, Air Canada and the Association shall consult throughout the preliminary and final selection process. Should it be mutually agreed upon that two or more eligible candidates are equal relative to their current qualifications and overall suitability for the position under consideration, then in accordance with the provisions of Article 10.01, the Dispatch Employee possessing the greater seniority shall be offered the position. A Dispatch Employee must have a minimum two (2) years of service in order to qualify for selection.

Should no suitable candidate(s) be found, resulting from either lack of current qualification or interest expressed by the Air Canada Flight Dispatch unit, the Company retains the right to reopen the provisions of this Letter of Understanding,

When established under the terms of this Letter of Understanding, the above sub-classifications shall attract a premium equal to fifteen (15) percent over applicable Dispatcher rates immediately following the individual's assignment to the position.

Chief Flight Dispatchers shall enjoy all benefits of the Collective Agreement with the exception of entitlements stipulated within Article 5.01 (C).

A Chief Flight Dispatcher shift schedule shall normally be based upon a Monday to Friday day shift only, unless otherwise required by Flight Dispatch Management. Statutory holiday premium shall not accrue to this position, except when so specified by Flight Dispatch Management or when the individual is required and/or scheduled to work as a Flight Dispatcher to maintain his Flight Dispatcher certification,

A Chief Flight Dispatcher's vacation bidding shall remain outside the normal vacation bidding process and will be organized by Flight Dispatch Management with due consideration to the ongoing requirements for management support of the Flight Dispatch department.

A Chief Flight Dispatcher is eligible for overtime in accordance with the collective agreement and the Toronto Flight Dispatch Overtime Call-in Procedure. To protect the integrity of the overtime call-in process, a Chief Flight Dispatcher will be required to register all overtime hours worked immediately upon completion. Air Canada is to be held harmless from overtime claims resulting from improperly awarded overtime caused by a Chief Flight Dispatcher's lack of due diligence in declaring his overtime.

The term of the assignment for Chief Flight Dispatcher shall be a minimum of three (3) years. Should at any time during this period an individual be deemed no longer suitable to continue the performance of his Chief Flight Dispatcher duties, or, an individual no longer desires to hold his Chief Flight Dispatcher position, he will be returned to Dispatcher status. Written notice shall be provided to both the employee/Company and the Association.

Temporary vacancies created by the absence of a previous incumbent may be filled by the appointment of Dispatch Employees following consultation with the Local Council Chairperson.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee

**LETTER OF
UNDERSTANDING
NO 10**

JOB CLASSIFICATION - CHIEF DUTY DISPATCHER

The Company and Association agree to establish within the scope of the Collective Agreement the classification Chief Duty Dispatcher.

The Chief Duty Dispatcher shall be a qualified dispatcher designated by Flight Dispatch Management to provide leadership, direction, and guidance to the Flight Dispatcher group,

Each position, when filled under the terms and conditions of this Letter of Understanding shall be filled by an individual qualified to perform Operational Control duties as per section 725.20 of the Transport Canada Commercial Air Service Standards. Incumbents selected for each position shall, while on shift, be fully accountable to the Manager, Flight Dispatch Operations and ATC Coordination for the day-of functional stewardship of all Flight Dispatch personnel when exercising their assigned Operational Control duties, and, for the performance of all other Chief Duty Dispatcher duties as outlined within Chapter 2 of Air Canada Publication 560.

Selection emphasis shall be placed on matching the most currently qualified and suitable candidate to the position being filled. The right to selection shall reside with Flight Dispatch Management. In recognition of the mutual benefits to be gained by both parties as a direct result of this practice, Air Canada and the Association shall consult throughout the preliminary and final selection process. Should it be mutually agreed that two or more eligible candidates are equal relative to their current qualifications and overall suitability for the position under consideration, then in accordance with the provisions of Article 10.01, the Dispatch Employee possessing the greater seniority shall be offered the position. A Dispatch Employee must have a minimum of two (2) years of service in order to qualify for selection.

Should no suitable candidates(s) be found, resulting either from lack of qualification or interest expressed by the current Air Canada Flight Dispatch unit, the Company shall retain the right to reopen the provisions of this Letter of Understanding.

When established under the terms of this Letter of Understanding, the above sub-classifications shall attract a premium equal to ten (10) percent over applicable Dispatcher rates immediately following the individual's assignment to the position.

Chief Duty Dispatchers shall enjoy all benefits of the Collective Agreement.

Work schedules shall be worked on the ratio basis for one (1) day off for every two (2) days worked with shifts periodically rotated between days and evenings. Flight Dispatch Management reserves the right under this Letter of Understanding to augment this rotation to include midnight shifts should the needs of the service so require.

Vacation bidding for the Chief Duty Dispatcher position shall remain inside the normal vacation bidding process.

The Chief Duty Dispatcher position is eligible for overtime in accordance with the collective agreement and the Toronto Flight Dispatch Overtime Call-in Procedure. To protect the integrity of the overtime call-in process, Chief Duty Dispatchers will be required to register all overtime

hours worked, immediately upon completion. Air Canada is to be held harmless from overtime claims resulting from improperly awarded overtime caused by a Chief Duty Dispatcher's lack of due diligence in declaring his/her overtime.

The term of this assignment for the Chief Duty Dispatcher shall be for a minimum period of three (3) years. Should at any time during this period an individual be deemed no longer suitable to continue the performance of his/her Chief Duty Dispatcher duties, or, an individual no longer desires to continue to hold his/her Chief Duty Dispatcher position, the individual will be returned to Dispatcher status. Written notice shall be provided to both the ~~employee~~/Company and the Association.

Temporary vacancies created by the absence of a previous incumbent may be filled by the appointment of Dispatch Employees following consultation with the Local Council Chairperson.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

P.J. Heinke
Senior Director, Labour Relations

J.R. Williams
Local Council Chairperson

J.W. Johansen
Manager, Flight Dispatch

B. McCauley
President, CALDA

A.C. Torriani
Manager, Labour Relations

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee





MULTIPLE FLIGHT DISPATCH CENTRES

Should the company elect to operate additional Flight Dispatch centres within geographical territories covered under this Collective Agreement the following language shall be used to address issues of filling of assignments at Flight Dispatch Centres, reduction in system staff, and expenses related to the transfer of Dispatch Employees from one Flight Dispatch Centre to another.

Filling of System Assignments

The Company shall post notices in all Flight Dispatch Centres when a permanent Dispatch Employee assignment becomes vacant or when the Company establishes additional permanent Dispatch Employee assignments. A minimum period of five (5) days will be allowed for receipt of bids. Dispatch Employees absent from their Centres shall leave forwarding addresses or bidding instructions with the Flight Dispatch Centre management for assignments that may be posted during their absence. The senior qualified bidder shall be awarded the assignment. He shall pay his own transfer expenses.

When a second Dispatcher vacancy is created as a result of filling the original vacancy, or a third Dispatcher vacancy is created as a result of filling the second vacancy, such vacancies shall be posted and filled as provided for in the paragraph above. Fourth, or successive vacancies shall not require posting.

When no bids are received for a bulletined Dispatcher's vacancy or when the vacancy is not required to be bulletined, it shall be filled either by promotion of the most senior Qualified Dispatcher in Training, or by the transfer of a Dispatcher, the decision to rest with the Company.

When no bids are received for a bulletined Dispatcher in Training's vacancy or when the vacancy is not required to be bulletined, it shall be filled by the transfer of a Dispatcher in Training, or by hiring, the decision to rest with the Company.

Reduction in System Staff

In the event of a reduction in the number of Dispatch Employees at a Flight Dispatch Centre, the affected junior Dispatcher shall be permitted to exercise his seniority by displacing the most junior Dispatcher on the seniority list holding a permanent assignment. In the event a Dispatcher has not exercised seniority outside his Centre, he shall have priority rights to accept any Dispatcher's assignment becoming available at his Centre and such assignment shall not require posting.

A Dispatcher in Training displaced may exercise his seniority to the extent of displacing the **most** junior Dispatcher in Training on the seniority list. The most junior Dispatcher in Training displaced under the provisions of this Article may, at the discretion of the Company and subject to the needs of the service, be assigned by the Company to a position where his experience and ability may be of benefit to the Company. He shall be given the first opportunity in order of

seniority of resuming employment as a Dispatcher in Training, subject to Article 11.06 of this Collective Agreement.

The Company will assume the expenses of personnel transferred under the above provisions.

Transfer Expenses

A Dispatch Employee when transferred from one Flight Dispatch Centre to another at Company request will be allowed transportation and expenses for himself and dependent members of his family in accordance with published Company regulation.

Dispatch Employees making mutual transfers with the approval of the Company or otherwise transferring at their own expense shall be provided space available transportation for themselves and dependent members of their families to be extent permitted by Company regulations. Such Dispatch Employees may, subject to the approval of the Company, be allowed time to drive their own automobile in their new base.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee





LOCAL AGREEMENTS

As discussed in the 1999 round of Collective Bargaining, the parties agree that Air Canada and CALDA may on occasion enter into local agreements in order to deal with issues of a local nature. These agreements will be maintained in an administrative binder located in the Flight Dispatch Centre. A period of consultation must occur prior to cancellation or amendment of a local agreement. A local agreement may be cancelled by either party providing that written notice is served a minimum of ninety (90) days in advance.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999 .

FOR: AIR CANADA

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

P.J. Heinke
Senior Director, Labour Relations

J.R. Williams
Local Council Chairperson

J.W. Johansen
Manager, Flight Dispatch

B. McCauley
President, CALDA

A.C. Torriani
Manager, Labour Relations

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee



REDUCED OVER TIME

As discussed in the 1999 round of Collect Bargaining, the parties agree that Air Canada will maintain a reduced overtime policy that is subject to operational requirements as determined by the Manager, Flight Dispatch. This policy will be kept in the local Administration binder and will not be subject to change prior to consultation with the Local Council Chairperson.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION

P.J. Heinke _____
Senior Director, Labour Relations

J.R. Williams _____
Local Council Chairperson

J.W. Johansen _____
Manager, Flight Dispatch

B. McCauley _____
President, CALDA

A.C. Torriani _____
Manager, Labour Relations

J. Colville _____
Assistant Council Chairperson

R.J. Elder _____
Negotiating Committee

LETTER OF
UNDERSTANDING
NO. 14

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PENSION AGREEMENT

In accordance with the provisions of Item 6 of the September 30, 2000 Memorandum of Understanding between Air Canada and CALDA Councils 1 and 2, the Parties agreed to the following Pension related changes:

- A. **For employees on the Air Canada CALDA seniority list only (i.e. excluding those on the CAIL CALDA dispatcher seniority list prior to date of ratification of this memorandum), the following Pension improvements will apply:**

Improved Benefit Formula

Effective January 1, 2001, the rules of the Air Canada Pension Plan will be amended to change the formula for eligible employees covered by this Collective Agreement from 1.75% / 2.0% to 1.9% / 2.0% in respect of allowable service after January 1, 1996. In respect of service between January 1, 1966 and January 1, 1996, the formula will remain at 1.75% / 2.0%. All sections of the Plan text wherever reference is made to 1.75% will be amended by replacing 1.75% with 1.9% in respect of service after January 1, 1996. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1 a) the reference to 1/4% should also be replaced by 0.10% in respect of service since January 1, 1996.

Increased **Employee** Contributions

Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan will be increased from 5.25% to 5.70% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and remain at 6% on the part of the employee's compensation in excess thereof effective January 1, 2001. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after January 1, 1996 subsequently applied for by the employee on or after January 1, 2001

In respect of allowable service prior to January 1, 2001 for which the pension formula is increased from 1.75% / 2% to 1.9% / 2%, the member shall be required to pay a past service contribution. This contribution shall be calculated as the product of a), b) and c) below:

- a) The 2000 annualized pensionable earnings up to \$37,600
- b) The allowable service expressed in years and twelfths thereof prior to January 1, 2001 for which the pension rate is increased from 1.75% / 2% to 1.9% / 2%, and
- c) 0.45%.

Members will be required to contribute a minimum of 2% of pensionable earnings to repay any past service contribution and any outstanding balance will be charged interest at the prevailing interest rate applicable on outstanding contribution deficiencies.

At death, termination or retirement, pension benefits will be reduced actuarially to reflect any outstanding contribution deficiencies.

In addition to the above, paragraph 6 of the November 5, 1999 Letter of Intent between Air Canada and CALDA Council 1 will continue which states:

Effective August 1st, 2002, the annual pensionable earnings ceiling applicable to CALDA Members will be equal to the earnings which produces the annual pension benefit maximum that the Income Tax Act allows to be accrued for each year of allowable service in a registered pension plan.

This annual pension maximum benefit is currently \$1,722.22 for each year of allowable service and is scheduled to be indexed by Revenue Canada beginning January 1, 2005.

This annual pensionable earnings ceiling will change in subsequent years because of the annual change in the YMPE and/or changes in the annual pension maximum benefit. In any event, pension benefits will never exceed the maximum permitted by the Income Tax Act.

With the exception of employees hired after date of ratification of the agreement directly by Air Canada who were not previously on the CAIL CALDA seniority list, no employee added to the Air Canada CALDA seniority list by merger or any method will be eligible for Section A of this Letter of Understanding or service prior to April 1, 2000 for the purpose of paragraph 6 of the Air Canada and Council 1 Letter of Intent of November 5th, 1999.

B. For employees on the CAIL CALDA seniority list only (i.e. excluding those on the Air Canada CALDA dispatcher seniority list prior to date of ratification of the memorandum dated September 30, 2000) the following Pension Improvements will apply:

All members of the *Pension Plan for Dispatch Employees as Represented by the Canadian Airline Dispatchers Association of Canadian Airlines International Ltd.* (the "CAIL CALDA Plan") shall continue to be members of such plan and will continue to attract benefits therefrom. They will not be eligible to benefit from the Air Canada Pension Plan.

For service rendered before April 1, 2000, the rules of the CAIL CALDA Plan continue to apply except for the following two improvements:

- Effective April 1, 2000 and in respect of service prior to April 1, 2000, the maximum annual pension per year of pensionable service shall be increased from \$1,143 to \$1,500, and
- Effective April 1, 2000 and in respect of service prior to April 1, 2000, the enhanced early retirement benefits contained in the Letter of Understanding 1.3 shall be incorporated into the provisions of the CAIL CALDA Plan.

Also effective January 1, 2001 and for service following that date only, the CAIL CALDA Plan shall be amended to provide for substantially the same benefits and conditions as Air Canada Pension Plan in respect of CALDA employees. Specifically, the benefit formula will be 1.9%/ 2% in respect of service after January 1, 2001 for eligible employees covered by this Collective Agreement and employee contributions to the CAIL CALDA Plan will be at the rate of 5.7% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and 6% on the part of the employee's compensation in excess thereof.

Joint Pension Plan Task Force

Air Canada and CALDA agree to enter into discussions through a joint Task Force, during the life of the Collective Agreement to review and investigate improvements and/or changes to the plan, cost issued related to such improvements and/or changes, and a plan to deal with long term pension issues and the viability of the Pension Plan.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

P.J. Heinke
Senior Director, Labour Relations

J.W. Johansen
Manager, Flight Dispatch

A.C. Torriani
Manager, Labour Relations

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

J.R. Williams
Local Council Chairperson

B. McCauley
President, CALDA

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee





PENSION BUY-BACK

Air Canada will review the feasibility of "pension buy-back provisions" for CALDA employees that are hired from Air Canada Connector Airlines, subject to pension rules under law and at no cost to Air Canada. Should this buy-back ability be feasible, Air Canada agrees they will be offered to these employees to the extent possible to a maximum of four (4) years buy-back.

IN WITNESS THEREOF, the parties hereto have signed this Letter of Understanding this 20th day of August, 1999.

FOR: AIR CANADA

**FOR: CANADIAN AIR LINE
DISPATCHERS' ASSOCIATION**

P.J. Heinke
Senior Director, Labour Relations

J.R. Williams
Local Council Chairperson

J.W. Johansen
Manager, Flight Dispatch

B. McCauley
President, CALDA

A.C. Torriani
Manager, Labour Relations

J. Colville
Assistant Council Chairperson

R.J. Elder
Negotiating Committee



Special Leave of Absence Program

Notwithstanding the provisions of Article 13 – Leave of Absence of the Collective Agreement, the Company and the Association agree to a Special Leave of Absence (SLOA) Program the provisions of which are as follows:

1. Effective August 15, 2003, at the discretion of the Company, dispatchers may be granted a SLOA. The duration of the SLOA's may not go beyond August 14, 2008, unless otherwise agreed to by the Company and the Association.
2. A dispatcher shall have the right to apply for a SLOA at any time during the program by submitting a written application to his manager with a copy to the Association, advising the reason for the SLOA.
3. Should a dispatcher on a SLOA subsequently be laid off, the provisions of Article 11 – Reduction of System Staff and Article 19.07 – Severance Pay will apply to dispatchers on SLOA'S and will supercede the terms of this LOU.
4. A dispatcher on a SLOA will continue to accrue seniority.
5. Benefit coverage for dispatchers on SLOA will be in accordance with Company Leave Policy for employees on leave at the time the leave commences. Coordination of benefits will not be provided to dispatchers on SLOA. Pay progression will not accrue for the period of the SLOA.
6. Employees will be eligible for personal and dependent travel privileges on Air Canada services only.
7. Request to return early from a SLOA may be considered at Company discretion.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Agreement this 03rd day of July, 2003.

FOR: AIR CANADA

Manager, Labour Relations

FOR: CALDA

Russell Williams

Local Council Chairman

**Philip Torell
GM Flight Dispatch, Operations**

**William McCauley
President, CALDA**





CHIEF DISPATCHER

The parties agree that the Position title name change for Chief Dispatcher, in accordance with provision 19 of the May 28, 2003 Memorandum of Understanding will not be changed at this time, however, the Company reserves the right to make such change for administrative purposes at some point during the life of the collective agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Understanding this 17th day of February, 2004.

FOR: AIR CANADA

Kathy Smale
Manager, Labour Relations

Phil Torell
GM Flight Dispatch, Operations

FOR: CALDA

Brigitte Sages
Local Council Chairperson

Kent Sutor
Vice Chairperson

William McCauley
President, CALDA

APPENDIX A

MEMORANDUM OF UNDERSTANDING

BETWEEN

AIR CANADA
("Air Canada")

-AND-

CALDA Council 1 and CALDA Council 2

(The Canadian Airline Dispatchers Association)

WHEREAS a number of factors have created a financial crisis in the airline industry in general, which has resulted in Air Canada having to seek protection under the Companies Creditors' Arrangement Act (CCAA);

AND WHEREAS this Memorandum shall confirm the agreement by the parties to a full and complete resolution of all outstanding issues raised between the parties during this round of negotiations;

AND WHEREAS this Memorandum shall also be subject to ratification by the respective principals of the parties. Once ratified, the current Collective Agreement as modified shall be effective until July 31st, 2005. It is further agreed to extend the collective agreement, as modified, to June 30th, 2009 in accordance with the attached Letter of Intent dated May 28 2003;

AND WHEREAS the parties are desirous of modifying the current collective agreement and MOU dated September 30 2000, in order to provide the Company with the ability to restructure the airline, reduce operating costs, improve efficiency and overall competitiveness, and thereby successfully exit the CCAA process;

Accordingly, the parties agree to the following:

1. Flight Dispatchers will be subject to all provisions of the Collective Agreement and MOU dated September 30, 2000 effective with ratification of this agreement except as amended by this memorandum and in Appendix A.
2. Wages: Reduce all wage rates 2.5% effective June 1, 2003. Cancel the two and one half percent (2.5%) wage uplifts that were to occur on August 1, 2003 & August 1, 2004. Introduce a Profit Sharing Program for all employees covered by the Air Canada/CALDA Collective Agreement.
3. Job Security: All job security provisions previously agreed to are hereby repealed.
4. **Pensions:** Pension benefits will remain unchanged. The unions (including CALDA) agreed to cooperate with the Company in its representation to OSFI respecting the amortization of the funding deficit over ten (10) years.
5. **Benefit programs:** The proposed changes to the benefits programs involving premium sharing by employees, which will be applicable to all employees of the Company, are subject to union approval.
6. **Shift Premiums:** All shift premiums previously agreed are hereby repealed.

7. **Certification Pay Premiums:** Reduce from \$150.00 per month to \$75.00 per month.
8. **Scope:** It is recognized that flights operated by Air Canada pilots, (excluding flights operated by Air Canada Jazz pilots) and excluding acceptance flights will be dispatched by dispatchers in accordance with the collective agreement unless otherwise mutually agreed.
9. **Overtime:** All overtime will be paid or credited at time and one half.
10. **Cockpit Familiarization Flights and Annual Recurrent Training:** Familiarization (FAM) Flights and Annual Recurrent Training (ART) will be performed on the Flight Dispatch employees days off without pay. The Company and Association will discuss the pre-scheduling of these days.
11. **Meal Periods:** Article 5.01 B., deleted last sentence. Amend Article 5.01 C. 45 minutes to 30 minutes.
12. **Vacation:**
Years of continuous service
- | | |
|---------------|------------------|
| 1 - 4 years | 14 Calendar Days |
| 5 - 14 years | 21 Calendar Days |
| 15 - 24 years | 28 Calendar Days |
| 25 or more | 35 Calendar Days |
13. **Statutory Holidays:** Reduce eleven (11) statutory holidays to nine (9) as defined per Canada Labour Code.
14. **Primary Care Leave:** Delete Primary Care Leave letter of agreement.
15. **New Management Structure:** Establish ~~two~~ additional Flight Dispatch Management positions. All Managers, including the current GM incumbent, are or will be recruits from the Air Canada Flight Dispatch bargaining unit and will continue to hold and accrue seniority numbers on the "Air Canada Flight Dispatcher Seniority List." Managers will be able to maintain Flight Dispatch certificates as per Article 3.3. As per past practice in respect to NODA (no dispatcher available) management will be able to work a desk. The Chief Dispatcher Operations and Chief Dispatcher Standards positions listed in LOU NO. 9 will be removed. It is understood that in the event the management positions are removed, the previous sub classifications will be reinstated into LOU 9. Management incumbents returning to the active bargaining unit will be placed into the Flight Dispatcher classification.
16. **Recall:** Increased from ~~two~~ (2) years to five (5) years. It is the party's intent to approach Transport Canada to resolve issues around currency of competency for laid off employees.
17. **Leave of Absence:** Increase to up to five (5) years without loss of seniority. Pay progression will be retarded and employees will be without benefits during time on leave.
18. **Seniority:** Dispatchers who accept a position within the company but outside the department will continue to accrue seniority for up to five years. If such employee returns to active Dispatch duties within one (1) year from the date of reclassification he shall be permitted to assume his former position. After one (1) year, an employee may only return to a dispatch position in the event of a dispatch vacancy. Pay progression will be retarded during this time.
19. **Position title name change:** Chief Dispatcher name to be changed for administrative purposes.
20. **Calgary Base Closure:** Agreed to early closure of the YYC Dispatch Office, effective July 31,

2003. Transition and relocation matters to be agreed to between the parties.

21. Relocation allowance: Capped at \$10,000 for documented moving expenses.

22. Long Term Contract: As per attached Letter of Intent dated May 28, 2003.

23. Grievances: Withdrawal of all non disciplinary grievances.

24. This Memorandum of Understanding is conditional on:

A. The acceptance of Air Canada's Plan of Arrangement by all creditors and stakeholders and its sanction by the Court in a form that is consistent with the terms of this MOU and acceptance of such Plan of Arrangement by all other Air Canada trade unions and employee groups;

B. In the event there is no complete agreement by all the stakeholders as provided in paragraph A, then this MOU shall be void and the collective agreement between CALDA and Air Canada shall revert to its present form.

Non-Application of Group Termination Notice

The parties agree that the layoff of 34 employees represented by CALDA resulting from the restructuring of the airline under the CCAA have been the subject of full discussions and negotiations between the parties and forms part of the agreement reached under this Memorandum of Understanding. As a consequence, the parties further agree that sections 214 to 226 of the Canada Labour Code do not apply to those layoffs.

The Company and the Union agree to commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent constitutes the renewal of the Collective Agreement between Air Canada and CALDA expiring on July 31, 2005. The new Collective Agreement shall become effective August 1, 2005 and shall continue as expressed in the Letter of Intent.

This Memorandum of Understanding is subject to the ratification of the membership as soon as possible but no later than June 14th, 2003. All terms and conditions of this Memorandum of Understanding will take effect July 1st, 2003 unless otherwise specified.

Agreed in Toronto this 28 day of May, 2003.

Air Canada

CALDA

APPENDIX B

MOU -Appendix A

Air Canada - Flight Dispatch

CALDA work group

Potential Labour Costs reduction Items

2003 budgeted S&W and benefits costs (assigned benefits @ 27.3%)

11,489,399

Wages		121,672	
	1 - Immediate 2.5% wage reduction		121,672
Productivity and other Monetary Items		832,092	
a) Monetary Items	1 - Replace double time for time and one half for Overtime		44,168
	2 - Reduce Certification pay premium to \$75 per month		59,400
	3 - Eliminate all shift premiums		27,712
b) Work schedules	1 - meal periods worked/missed paid at regular time (30 min.) credit for 15 min		181,747
	2 - In accordance with company policy, reduce Statutory Holidays from 11 to 9.		47,572
	3 - Annual Recurrent Training on days off, without pay		88,823
	4 - Fam trips on days off, without pay		66,617
c) Vacations	1 - In accordance with company policy, reduced vacations.		55,748
d) Primary Care	1 - Eliminate 3 Primary Care Leave days		55,514
e) Other Essential Elements	1 - New Management Structure		204,790
	2 - Long term collective agreement until June 30, 2009		
Eliminate Job Security provisions			
	1 - Reduction of 34 Dispatchers (incl. early closure of YYC Ease)		
	salary	2,877,519	2,453,776
	extra pay for meal periods worked/missed		206,870
	Overtime for Stats		141,397
	Shift premiums		14,276
	Benefits		0
	Certification pay		61,200
Pension benefits In accordance with company policy			
Health and dental benefits In accordance with company policy			
Total before benefits'			<u><u>3,831,283</u></u>
Benefits		Wages reduction & Productivity improvements	

APPENDIX C

DURATION OF AGREEMENT

LETTER OF INTENT AIR CANADA / CALDA Council 1 and CALDA Council 2

Consistent with the parties' mutual interest in a long stable relationship, the parties agree as follows:

1. The current Air Canada / CALDA Collective Agreement will be amended as per the modifications set out in the attached Memorandum of Understanding, and Appendix A until July 31, 2005.
2. Upon expiry of the Collective Agreement on July 31, 2005, and subject to paragraph 3 below, the parties agree to extend the modified Air Canada/CALDA Collective Agreement until June 30th, 2009, as provided for in paragraph 1.
3. For the extended collective agreement from August 1, 2005 to June 30th, 2009 the parties will only be able to negotiate the provisions of Article 4.01 Rates of Pay after July 1, 2006. Should the parties reach an impasse on this issue the matter of the rates of pay will be referred to binding arbitration and the parties will not resort to strike/lockout action on the issue of such wage negotiations.
4. This Letter of Intent is subject to the ratification of the membership of CALDA Council 1 and Council 2, the process of which will be completed as soon as possible.

Agreed in Toronto this 28th day of May, 2003.

Air Canada

CALDA

APPENDIX D

MEMORANDUM OF AGREEMENT

BETWEEN

AIR CANADA
("Air Canada")

AND

CANADIAN AIRLINE DISPATCHERS ASSOCIATION

("The Association" or "**CALDA**")

Re: Restructuring of Air Canada pursuant to the Companies Creditors' Arrangement Act

RE: Restructuring of Air Canada under the Companies' Creditors Arrangement Act.

Revisions to the Collective Agreement to Meet the Conditions of the Amended and Restated Standby Purchase Agreement between Air Canada and Deutsche Bank Securities Inc.

WHEREAS the Company has filed an application pursuant to the **Companies Creditors' Arrangement Act** (CCAA) on April 1, 2003 in order to facilitate its restructuring and ensure its viability;

AND WHEREAS the parties entered into an agreement on May 28, 2003 to amend their Collective Agreement which continues to be in effect until June 30, 2009;

AND WHEREAS Air Canada entered into an amended and restated standby purchase agreement with Deutsche Bank Securities Inc. ("DB") on April 29, 2004 (the "Restated DB Standby Agreement");

AND WHEREAS the Restated DB Standby Agreement contains the following key conditions that must be met by May 15, 2004: (1) Air Canada must achieve cost reductions amounting to \$200 million for all bargaining units; and (2) the bargaining agents must agree to meet the "clean slate" requirement in relation to grievances and claims under the collective agreements;

AND WHEREAS the parties agree that the fulfillment of the Restated DB Standby Agreement requires amendments to their Collective Agreement as per the modifications set out below,

NOW THEREFORE, the Company and the Association agree to modify their Collective agreement as follows:

A. Collective Agreement Changes

1. Shift Flexibility:

Management will develop a work schedule including start and stop times based on operational and administrative requirements. Work schedules may include day/evening/night shifts and fixed shifts may be allowed. Shift changes will be allowed with **48** hours notice.

2. International Bidding:

Dispatchers may bid into the International Sector only upon a vacancy being declared.

3. Wages:

Reduce all wage rates by 1.9% in accordance with point "G" of this Memorandum of Agreement.

B. The Company will offer Voluntary Separation Packages for the purpose of mitigating surplus dispatch employees. The Plan will be two (2) weeks of basic pay per completed year of continuous company service as of the date of separation, up to a maximum of fifty-two (52) weeks of the employee's basic salary on the date of separation.

Approved applicants will receive the plan award over a period of sixty (60) equal, taxable, monthly instalments commencing with the month following their date of separation and ending with the sixtieth month of payment.

The Voluntary Separation Plan (VSP) incentive awards will be funded by the Air Canada general revenues.

This VSP is subject to approval by the Air Canada Board of Directors.

It is agreed and understood that this VSP is for a specific and unique situation and as such will not in any way prejudice the Company or CALDA's right(s) and position(s) in any other situation. Further, the Company and CALDA agree this VSP will not be cited or used as precedent to cover other situations.

All applications must be received by July 30th, 2004 and once approved by the Company are irrevocable. Dispatchers can specify a preferred separation date between June 1, 2004 and December 31st 2004, but ultimately, Air Canada will determine final separation dates in accordance with final operational requirements.

C. New Hire Pay Scale: (Schedule B). This pay scale is effective upon the approval of the VSP by the Air Canada Board of Directors and will not apply to Dispatchers currently on the Air Canada Flight Dispatcher Seniority List. Schedule B will form part of this Memorandum of Agreement.

D. Schedule A (costing sheet) will form part of this Memorandum of Agreement.

- E. If between May 28, 2003 and June 30th 2009, any other Air Canada unionized employee group receives an across the board payment or benefit, dispatchers shall receive an equivalent payment or benefit, other than wage increases resulting from the reopener negotiations of 2006. However, this paragraph will not be triggered by no cost agreements with groups participating in the CCAA restructuring program that preserves such groups cost reduction for the term of their agreement(s) and that result in no aggregate cost increase in the payroll cost of the applicable group.

- F. This Memorandum Agreement is subject to Air Canada concluding with all its other Canadian certified bargaining agents and non unionized personnel, agreements that each meet their respective share of the required cost reduction in the above referenced purchase agreement.

- G. The Company agrees to pay, subject to the Monitor's approval, CALDA for its legal costs and expenses in connection with the CCAA restructuring process begun April 1st, 2003.

- H. This Memorandum of Agreement is subject to the ratification of the membership as soon as possible but no later than May 25, 2004. All terms and conditions of this MOA will take effect on a common date of all certified bargaining units and non-union personnel as determined by the Monitor.

Agreed in Toronto this 15th day of May 2004.

AIR CANADA

CALDA

APPENDIX E

Schedule A - 2004 AC/CALDA Costing Sheet

ITEM	DESCRIPTION	Salary & Wages	Benefits	Other	Total
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GAP (766,000) (766,000)

Gap Closing:

1 Gap Adjustment 76,600 76,600

2. May 2003 item to be implemented (staffing level) 249,000 30,627 279,627

3. Shift Flexibility

- a) Reduction of 3 Dispatchers from 66 to 63
 - Salary 186,919
 - Extra pay for meal periods worked/missed 10,292
 - Overtime for stats 9,202
 - Certification pay 2,700
 - Total 209,113

209,113 25,389 234,502

4. No International Bid

- a) Avoid Annual International Training

57,047 7,017 64,064

5. Wages

- β) Wage reduction effective June 1, 1.9%

97,803 12,030 109,833

Total Gap Closing

612,963 75,062 764,626

APPENDIX F

Schedule B

Pay rates effective 06-Jun-04	weekly	annual	hourly
Current pay scale			
10th 52 weeks	1,411.69	73,408	37.65
9th 52 weeks	1,369.25	71,201	36.51
8th 52 weeks	1,328.10	69,061	35.42
7th 52 weeks	1,288.12	66,982	34.35
6th 52 weeks	1,249.41	64,969	33.32
5th 52 weeks	1,211.86	63,017	32.32
4th 52 weeks	1,175.43	61,122	31.34
3rd 52 weeks	1,081.84	56,256	28.85
2nd 52 weeks	1,013.88	52,722	27.04
1st 52 weeks	956.67	49,747	25.51

Adjustment
0%
5%
5%
10%
10%
20%
20%
20%
20%
20%

New hire rates	weekly	annual	hourly
	new pay scale		
10th 52 weeks	1,411.69	73,408	37.65
9th 52 weeks	1,300.79	67,641	34.69
8th 52 weeks	1,261.70	65,608	33.65
7th 52 weeks	1,159.31	60,284	30.91
6th 52 weeks	1,124.47	58,472	29.99
5th 52 weeks	969.49	50,413	25.85
4th 52 weeks	940.34	48,898	25.08
3rd 52 weeks	865.47	45,005	23.08
2nd 52 weeks	811.10	42,177	21.63
1st 52 weeks	765.34	39,797	20.41

Dispatcher in Training	675.20	35,110	18.01
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