



ALLIED PILOTS ASSOCIATION

**APA-ALPA Merger Exploratory Committee
SBOD April 5, 2023**

APA-ALPA Merger Exploratory Committee Update

The logo for the Airline Pilots Association (APA) is located in the top left corner. It features the letters "APA" in a bold, blue, sans-serif font, positioned to the left of a red arrow that points to the right. The arrow is thick and has a slight 3D effect with a white highlight on its top edge.

- Resolution R2022-25 Rev 2

- “WHEREAS, the APA Board of Directors believes that establishing a committee to engage with representatives of ALPA and others to investigate the advantages and disadvantages of a merger is an appropriate action to take at this time...”

- Charter Statement

- “The APA-ALPA Merger Exploratory Committee’s purpose is to consult with ALPA representatives and other relevant individuals to investigate issues that may need to be addressed in the event the Board of Directors elects to pursue a merger with ALPA in the future. Issues that should be investigated include, but are not limited to, financial implications, benefit plan implications, treatment of fixed assets, staff, governance issues, and seniority integration in the event of a merger or acquisition of another airline, or the integration of the wholly-owned regional carriers.”

APA-ALPA Merger Exploratory Committee Update

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- Air Canada Pilots Association (ACPA) Tentative Merger Agreement with ALPA
- Provide an overview of subjects in the ACPA-ALPA TA that are analogous to APA's concerns as addressed in the R2022-25Rev2 Charter Statement.
- Additional items covered by ACPA-ALPA merger agreement
 - Membership and Dues
 - Membership Ratification

All ACPA slides reused with their permission

APA-ALPA Merger Exploratory Committee

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APA

- ACPA Tentative Merger Agreement Discussion Topics
 - Transfer of Representation
 - Continuity of the Collective Bargaining Agreement
 - Governance
 - Membership
 - Assets and Liabilities
 - ACPA Employees
 - Membership Ratification

ACPA-ALPA Tentative Agreement

The logo for the American Public Accountants (APA) organization, featuring the letters 'APA' in a stylized font inside a red arrow shape pointing to the right. The arrow is set against a dark blue background that spans the width of the slide.

APA

- Transfer of Representation
 - No impairment or interruption in Representation
- Continuity of the Collective Bargaining Agreement(s)
 - All CBAs remain intact and in full force



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Transfer of Representation Rights to ALPA Without Impairment or Interruption

- The ratification of the Merger Agreement by the ACPA membership *"shall constitute authorization by ACPA and the Air Canada pilots for transfer to ALPA, without impairment or interruption, of their collective bargaining representation...and existing collective agreements"*.
- ACPA will *"request that the CIRB, in accordance with sections 18 and 43 of the Canada Labour Code, declare ALPA henceforth as the exclusive collective bargaining representative for the Air Canada pilots"*
- **ALPA will become the successor union pursuant to the provisions of the Canada Labour Code**



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Existing Collective Agreements to Continue Without Impairment or Interruption

- **On the Effective Date, ACPA assigns to ALPA, and ALPA assumes, all collective agreements, as well as "all rights, privileges, authority, duties and obligations of representation under existing collective agreements to which ACPA is a party, including specifically those pertaining to dues check-off, without impairment or interruption".**

ACPA-ALPA Tentative Agreement

The logo for the Airports Association of America (APA) is located on the left side of the slide. It features the letters 'APA' in a blue, italicized font, positioned inside a red arrow that points to the right. The arrow is layered over a dark blue horizontal bar that spans the width of the slide.

- Governance
 - Establishment MEC/LECs
 - Continuity of ACPA Officers and Reps
 - Large Council Established at YYZ
 - Participation in ALPA National Governance
 - Executive Council
 - Canada Board
 - Executive Board
 - Board of Directors
 - National Committees



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Air Canada Pilot Governance at ALPA Local Councils

- Status Representatives at YUL, YVR, YWG and YYZ
 - **ALPA's primary representation structure is for pilots in a given status (Captain, First Officer) at a base are elected by pilots in that status and base**
 - Due to the relative size of the YYZ base within the Air Canada pilot group, YYZ is established as a Large Council under ALPA's Constitution & By-Laws ("C&BL"), with 2 Captain and 2 First Officer Representatives to better cover a larger LEC workload
 - YUL, YVR and YWG will have 1 Captain and 1 First Officer Representative each



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Air Canada Pilot Governance at ALPA Local Councils

- **ACPA Chairs and Vice-Chairs will be allowed to continue to serve in their bases as Status Representatives and LEC Officers**
- Vacant YYZ FO Status Representatives and Secretary/Treasurer (“S/T”) positions at all bases will be filled by the ACPA MEC from Councillors at those bases
- Elections for vacancies, if any, will be held per ALPA C&BL



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Air Canada Pilot Governance at ALPA Master Executive Council

- All Status Representatives from the 4 Air Canada bases will become the voting members of the Air Canada MEC
 - MEC officers are not voting members of ALPA MECs
- **Per ALPA's C&BL, MEC voting can be either one-person, one-vote, or by roll-call voting based on the number of active members represented by each Status Representative**
- ACPA's MEC Chair will be allowed to continue to serve as the Air Canada MEC Chair
- The Air Canada MEC will elect an MEC Vice-Chair and S/T – both required MEC officer positions per ALPA's C&BL



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Air Canada Pilot Participation in Union Governance at ALPA

Executive Council

- ALPA's main fiduciary body; also interprets policies and C&BL
- Comprised of 4 National Officers, 5 Group A EVPs, 3 Group B EVPs, Group C (Canadian) EVP, and the Canada Board President
- **Because the Air Canada pilot group has > 4,000 active members and > \$10 million USD in projected annualized dues income, the Air Canada MEC shall elect an Air Canada pilot as a Group A EVP to the Executive Council**

Canada Board

- Articulates all ALPA International issues within Canada
- Develops and articulates specific issues of national interest to Canadian pilots within Canada
- **Comprised only of the MEC Chairs of all ALPA MECs in Canada**
- **Voting can be either one-person, one-vote, or by roll-call voting**



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Air Canada Pilot Participation in Union Governance at ALPA

Executive Board

- Approves changes to ALPA policy
- Approves union merger agreements at regular meetings
- Provides direction on ALPA strategic priorities
- Comprised of all ALPA MEC Chairs

Board of Directors

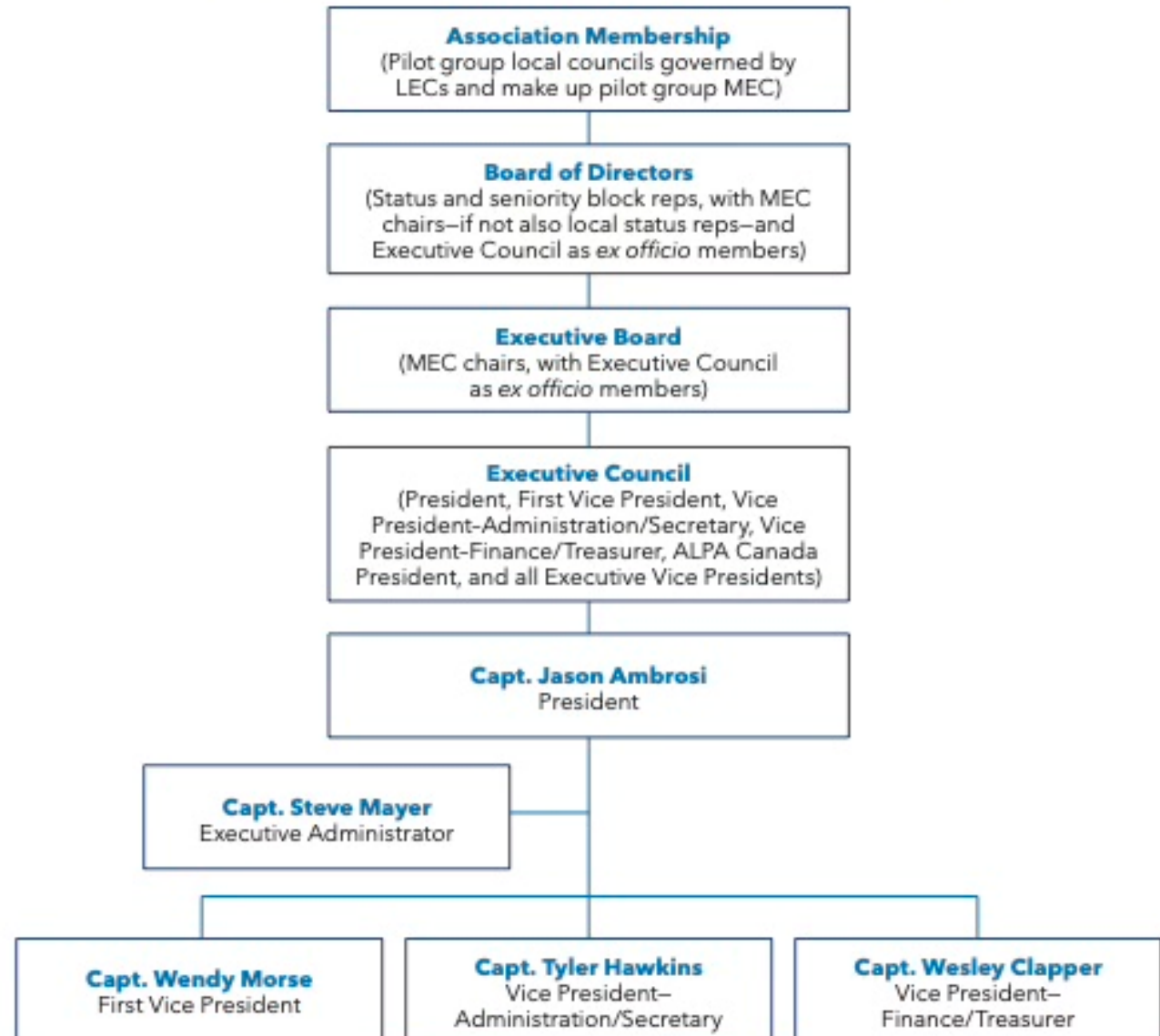
- Elects ALPA national officers
- Approves ALPA's Strategic Plan and changes to C&BL
- Comprised of all ALPA Status Representatives



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ALPA Structure

Governing Bodies and National Officers Structure





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National Committees

- National Committees are pilot Subject Matter Experts at the ALPA International level. They develop and implement programs and initiatives that address members' needs, and advance the union's and pilot groups' overall goals and objectives, as well as support activities at the MEC level
- **Air Canada pilots will be placed on the following National Committees at the outset of the merger:**
 - Air Safety Organization
 - Flight Time/Duty Time (FT/DT) Committee
 - Collective Bargaining Committee
 - Cargo Committee
 - Remote Operations Committee
 - Strategic Preparedness and Strike Committee

ACPA-ALPA Tentative Agreement



- ALPA Merger Policy
 - Overview
 - Application of Merger Policy on Effective Date
- Addressing merger myths



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ALPA Merger Policy

Section 45 of ALPA's Administrative Manual

- Per ALPA's Merger Policy, *"...a "merger" is defined as a situation where there is a reasonable probability of sufficient operational integration between or among two or more ALPA airlines that there is or will be a need for an integrated seniority list, a JCBA and a merged MEC to adequately protect the employment interests of the flight deck crew members"*
 - *The determination of whether a "merger" has occurred under Section 45 is made by ALPA's Executive Council*



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ALPA Merger Policy

Section 45 of ALPA's Administrative Manual

- ***ALPA has agreed that “[b]ased on the facts presented as of the Effective Date of this Agreement, the operating relationships between Air Canada and its Air Canada Express carriers, particularly Chorus Aviation/Jazz Aviation LP, do not constitute a “merger” under ALPA Administrative Manual Section 45.”***



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Mergers and Merger Policy Facts

- A merger between ACPA and ALPA **is not** a merger between Air Canada and Jazz or any other ALPA Canadian carrier
- A merger between ACPA and ALPA **does not** trigger an integration of the seniority lists of the pilots at Air Canada and Jazz or any other ALPA Canadian carrier
- Note that ALPA Merger Policy **does not** require pilot seniority lists to be integrated by Date-of-Hire

ACPA-ALPA Tentative Agreement

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- Membership in ALPA
 - Immediate Membership
 - Dues
 - Access to ALPA Benefits
 - Continuation of ACPA Benefits



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Membership in ALPA

- **If ratified by ACPA pilots and approved by ALPA governing bodies, all ACPA members will become members of ALPA on the Effective Date of the Merger Agreement (17 May 2023)**
- ACPA members who have financial obligations outstanding to ALPA will need to satisfy such obligations, typically under an arrangement plan
- **ALPA dues obligations at 1.85% of pilot income will commence on 6/1/23**
- There is a provision confirming that compulsory Air Canada pilot contributions to CWIPP are not subject to dues



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ALPA Member Insurance and Health Program

- Air Canada pilots will have access to ALPA insurance products available to members in Canada via a 6-8 week open enrollment window without requirements for medical testing/underwriting
- **ALPA will maintain the current ACPA Basic Life, Optional Life and Extended Mutual Aid programs for the benefit of Air Canada pilots**
- The Air Canada MEC may elect on an annual basis to participate in the Teledoc program
- **ALPA will maintain the services provided by the ACPA Pilot Health Division, and the Air Canada MEC shall participate in any process to modify the program**

ACPA-ALPA Tentative Agreement

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- Assets and Liabilities
 - Merger Fund
 - Contribution to Major Contingency Fund
 - Remaining funds to ACPA MEC Account
 - Continuity of existing office leases



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Assets and Liabilities; Proceedings and Litigation

- Because ALPA will be the successor union following the Effective Date of the Merger, all ACPA assets and liabilities are transferred to ALPA
- **\$1m CDN of ACPA funds will be transferred to the Air Canada Merger Fund**
- **\$1m CDN of ACPA funds will be transferred to ALPA's Major Contingency Fund**
- **All remaining ACPA funds will be for the exclusive use of the Air Canada MEC**
- The ACPA HQ will become the Air Canada MEC office
- LEC offices in YUL and YVR will be maintained through the duration of the leases, with future LEC leases subject to ALPA policy
- Any liabilities, including any arising from litigation costs or the judgment of any court, which arise out of the affairs of ACPA and become payable after the Effective Date of the Agreement, shall be satisfied out of the Air Canada MEC account

ACPA-ALPA Tentative Agreement

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- ACPA Employees
 - All employees on the effective date of the merger are offered employment at ALPA
 - Majority of Staff to be covered by the A&S Account (paid for by ALPA National budget not out of the MEC budget)



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ACPA Employees

- **A critically important and valuable resource ACPA brings 25 professional positions to the merger, which is nearly double the number of current ALPA employees in Canada**
 - *“All ACPA employees as of the Effective Date of this Agreement shall receive an offer of employment with ALPA”*
- The expenses associated with the vast majority of the current ACPA staff positions will be paid for by ALPA's Administrative and Support (A&S) Account **and not** the Air Canada MEC Account.

ACPA-ALPA Tentative Agreement

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ACPA

- ACPA-ALPA Merger Agreement Approval Process
 - Timeline



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Approval Provisions in the Merger Agreement

9 Mar

- ALPA-ACPA Merger Agreement – Agreement in Principle (AIP)

13 Mar

- ACPA MEC Approval of Merger Agreement AIP
- AIP becomes a Tentative Agreement (“TA”)

11 Apr

- ALPA Executive Council - Approval of Merger Agreement TA

17 Apr

- ACPA Membership Vote on Merger Agreement TA Opens

1 May

- ACPA Membership Vote on Merger Agreement TA Closes

17 May

- ALPA Executive Board – Approval of Merger Agreement TA
- Merger Agreement Effective Date

APA-ALPA Merger Exploratory Committee Update



- Summary of Committee Activities
 - Information Requests, APA and ALPA
 - Review of Information
 - Meetings with ALPA

APA-ALPA Merger Exploratory Committee Update

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- Information Requests, APA & ALPA
 - Received info from one or both unions on the following subjects
 - Governance
 - Finances
 - Benefit Plans
 - Fixed Assets
 - Staff/Resources
 - Seniority Integration
 - Collective Bargaining
 - External Relations
 - Negotiated NDA with ALPA

APA-ALPA Merger Exploratory Committee Update



- Review of Information
 - Committee Members working by pertinent subjects
 - Use of SMEs is extremely valuable
 - Information Acquiring Process
 - Managing the documentation
 - Analysis

APA-ALPA Merger Exploratory Committee Update



- Meetings with ALPA
 - Leadership Training Conference, February 7-9, 2023
 - Meeting with Leadership and Staff, March 15-16, 2023
 - Both meetings were crucial to understanding ALPA structure, governance, strategic planning, etc.
 - Agenda for both meetings attached

APA-ALPA Merger Exploratory Committee Update

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APA

- Committee Member comments
- Questions