



PILOTS FOR CHANGE | OPINION

2022 ACPA MOA: Analysis, Pros/Cons & Possible Outcomes

To support an informed and engaged democratic process, Pilots for Change is providing our opinion in the form of a Pro/Con and Opinion Document regarding ACPA's "MOA for proposed amendments to 2020-2023 Collective Agreement".

Please do your part and cast your [vote](#). Voting is currently open and closes Oct 11th.

Further down, you will find an itemized Pros and Cons list as well as some important points we feel members should consider before casting their vote.

In Summary:

- **We strongly recommend voting NO to this MOA.** The potential concessions and pitfalls, in the collective opinion of Pilots for Change, far outweigh any perceived or actual gains for our pilots. We feel there is very little risk in delivering a strong No Vote on this MOA;
- **We fundamentally disagree with those on the MEC who support this MOA** - This proposed deal is in direct contravention of many of our [Core Elements and Key Issues](#). ***The fact that this MOA was brought to the membership is a sign of the continuing systemic failure of ACPA.*** Furthermore, we continue to pledge our support to those members of the MEC who were willing to stand up against sending this flawed agreement to our pilots;
- Specifically, we feel that the significant concessions in this MOA, which are largely permanent in nature, far outweigh the small gains it provides, many of which are temporary in nature;
- This MOA alleviates significant crewing and flexibility issues for the company, which represent significant potential costs, without providing any significant value for our pilots;
- Specifically, as these proposed wage 'increases' relate to inflation, they do not adequately address our [current inflation levels](#) (7.0%). Accordingly, these proposed wage increases do not make us whole in our current economic environment and deplete us for future wage negotiations;
- Many of the concessions in this MOA, particularly in Scope and Training language, represent potentially large future liabilities for our pilot group and significantly larger cost items than what ACPA seems to be portraying;
- We feel that, given the historic leverage position that our pilots find themselves in today, and how far behind our legacy peers we have fallen over the past decade, this MOA falls short in addressing these issues with any meaningful gains, and in return gives significant permanent concessions to the company;
- We find ACPA's attempt to "sell" the membership on a sub-standard agreement to be a fundamentally flawed strategy, reminiscent of agreements past. We find that it is contrary to

effective pilot engagement and creates a divisive environment where pilots increasingly lose trust in their union representation;

- We are disappointed by ACPA’s decision to not release final language until immediately before voting opens, and we find it discouraging that reviewing the final language brings to light many hidden or understated concessions that were not accurately portrayed by ACPA’s initial newsletter, Q&A, and webinar;
- **There is no risk to voting down this agreement.** There is no risk of arbitration, mediation or Final Offer Selection (FOS), and it is important that we recognize our worth.

Simply put, this MOA just isn’t good enough.

Pros	Cons
<i>“Year 1 and 2 pilots jump to Year 2 and 3 rates respectively”</i>	
<ul style="list-style-type: none"> • Small pay increase for those on Year 1 & 2, benefit increases slightly as time goes on (more new hire pilots) 	<ul style="list-style-type: none"> • Year 1 flat pay changes to the current Year 2 pay rates and Year 2 flat pay changes to the current Year 3 pay rates - this makes for a relatively minor pay bump which means we end up approximately on par with Flair and Transat starting pay, as a legacy carrier • Year 1 & 2 increase still far behind industry standard - barely drawing even with Leisure and ULCC carriers in Canada • Does not address issue of Fixed Rate Pilots’ exclusion from DBM-2 language for years 1 and 2 • Raise does little to address rising inflation (7.0% and rising) • VP of Flight Ops has repeatedly stated they need flat pay fixed - this is a give to the corporation. The company requires flat pay fixed to attract quality new hire candidates over the coming years to meet their growth targets • This MOA includes no improvements to our industry-worst probation rules, which have seen pilots on probation for upwards of 2 years • This MOA does not specifically include LOU 74 anywhere in the blacklined language, which even though it is currently suspended, leaves another grey area in our CA in the event LOU 74 is reactivated in the future. (ACPA has

	<p>recently clarified their position that LOU 74 is included in this MOA, however without amending the pay tables in LOU 74, this could pose a potential risk when the Rouge Restart MOA expires in 2024)</p>
<p>“Fixed rate pay limited to two years, as Year 3 and 4 pilots move to formula pay”</p>	
<ul style="list-style-type: none"> ● Pay increase as Year 3 & 4 Fixed Rate goes to Formula, benefit increases slightly as time goes on ● Allows new hires to move to <i>higher rated positions</i> in their base after two years instead of four. ● Large pay increase for fixed rate pilots nearing Year 3 pay who were assigned WB FO in initial ground school. ● Year 3 and 4 pilots would now be included in the reserve DBM-2 provision 	<ul style="list-style-type: none"> ● Still far behind industry standard/legacy peers as depicted in this presentation ● Removes 75 hour monthly protection for Year 3 and 4 pilots. At narrowbody rates, in slow months this could significantly narrow the formula pay gap vs current Fixed Rate ● Practice of reduction in PCP (Percentage of Captain Pay) continues with these pay scales. This will further entrench the original PCP reduction within our CA ● <i>“New Hire Bidding Freeze Drops to 2 years”</i> - the blacklined actual CA language only allows a move to a higher rated position ● The 4 year new hire freeze still exists as per 20.17.02. <i>Ex; New hire pilots assigned B777 FO can’t bid NB FO or RP for 4 years unless they also move bases</i> ● Solves the company’s challenge of having WB FO positions in New Hire classes - significant benefit by filling these seats with pilots who have more than 3 Years of Service (YOS) ● Could shift typical bidding focus to WB FO vs Jr NB CA, solves Flight Ops training challenges with junior upgrades ● Is likely to significantly reduce the company’s training burden; this cost savings likely covers the increase in year 3 & 4 pay
<p>“Reintroduction of Year 13 and Year 14 Formula Pay for Captains and FOs”</p>	
<ul style="list-style-type: none"> ● Small immediate pay bump of approximately 1 - 1.5% per year for pilots past year 12 	<ul style="list-style-type: none"> ● 2.9% over two years is a negligible increase that doesn’t come close to addressing inflation - amounts to less than \$200/month post-tax for Y14 B777C ● RPs are not included - more divisiveness in our group

	<ul style="list-style-type: none"> • CWIPP Pilots need to maximize earnings as early as possible. We should be focusing on increasing wages within the current 12 year payscale. DB Pilots' best 5 years would still have benefited from applying these increases to years 11 & 12 • Still leaves us well behind Legacy colleagues as this presentation depicts • We should be pushing to decrease the number of years on the scale, not increase them; If there is a membership desire for higher top pay rates, these gains should be reflected in the existing years of the scale, at minimum
<p><i>“100% pay secured for upcoming B-777 freighters and all future cargo aircraft”</i></p>	
<ul style="list-style-type: none"> • Delays risk of arbitration on B777 Freighter rates (Cargo LOU) at least as long as (or if) the operation is run as one fleet 	<ul style="list-style-type: none"> • Hidden Caveat: This only guarantees 100% pay as long as these fins are operated as single fleet w/ passenger 777s. Passenger 777s days are likely numbered • The B777F MOA Final Letter states <i>“Should [the Company] choose to operate the B-777F, or any other Dedicated Cargo Aircraft, as a Dedicated Cargo Aircraft Position in Article 20.01, L86.01.20 of LOU 86 will apply.”</i> This indicates the company may already be planning to run the 777F as its own bid position • This MOA does not permanently address the concessionary 10% reduction on cargo rates for any cargo fleet, in fact the B777F MOA Final Letter adds more language which could hurt us in future arbitration over freighter wages • The company has demonstrated through acquisition of new-build freighters that there is money in cargo. This should be a clear sign that B-scales for cargo flying should be a thing of the past • Separate rate schemes (or the threat of them) are divisive mechanisms that destroy pilot unity and pit pilot groups against one another
<p><i>Cargo Wet Lease/Wet-lease credits to be distributed among pilots between Year 5 and Year 12</i></p>	
<ul style="list-style-type: none"> • Small wet-lease credit paid to Year 5 to 12 pilots only (~300 pre-tax per month) 	<ul style="list-style-type: none"> • This is the only value in this deal for Year 5-12 pilots. It amounts to a latte a day (less than approximately \$300 pre-tax per month)

	<ul style="list-style-type: none"> • The company would be required to pay this regardless of any deal as per existing wet-lease language 1.12.06 - this is not a gain unique to this agreement • Flying will likely be outsourced to a cargo operator paying higher rates than our own cargo operation (possibly American cargo pilots) • Fixed Rate pilots would not benefit from the Wet Lease Credits • Year 13 pilots and above would not benefit from the Wet Lease Credits • ACPA Pilots overwhelmingly rejected long-term Cargo Wet Leases in 2017 - there is little appetite for other pilots doing our flying
<p><i>“Tier 2 (Small Jet Aircraft of 55 seats or less/Propeller Aircraft with 80 seats or less) codeshare within Canada/Transborder”</i></p>	
	<ul style="list-style-type: none"> • <u>Scope is our job security.</u> There is no clear explanation provided on why the company needs this scope let, or what they intend to use it for. Once it is removed from our Collective Agreement it will likely be gone forever • Scope lets are nebulous and hard to quantify and cost out. Could have many possible “What If” scenarios that may have serious implications 5, 10, 15 years into the future • Any concession on scope should come with historic gains and significant snap-back and/or job protections at a minimum. • Codeshare flying operates outside of the growth/shrink formula set out in A1.10.03.01. This formula is the scope backbone established at the beginning of the 10 year framework to ensure the equitable distribution of flying between Tier 2/3 carriers and ourselves • Opens up scope to allow Canadian non-CPA regional airlines (like PAL Airlines) to operate aircraft like the Q400 on behalf of the company. This is likely to act as a whipsaw against Jazz pilots and further exacerbate the race to the bottom

	<ul style="list-style-type: none"> • Opens up scope to allow US regional airlines (like GoJet) to potentially operate CRJ-550 or ERJ-145 on behalf of the company. This could send Canadian pilot jobs south of the border. This helps solve the company’s regional crewing crisis - big value for them, huge concession for us • Opens up scope to allow US regionals (like Connect Airlines) to operate Q400 on behalf of the company. This could send Canadian pilot jobs south of the border. This helps solve the company’s regional crewing crisis - big value for them, big concession for us • There is an additional concern due to unclear language in A1.10.02.01.02. This could lead to Tier 2 operators exceeding the 55-seat jet restriction due to the circular nature of our Scope language through various different articles in our collective agreement. We are not confident that an arbitrator will come to the same conclusion that codeshare flying is limited to 55 seat jets • These scope changes have potential to create another whipsaw at the regional level and further degrade wages for all Canadian pilots. This goes against the broad goal of pilot unity in Canada • The broader industry scope trend is a tightening of scope language, not a loosening of it. This pushes us in the opposite direction of the industry standard
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“Improved terms for FIs and PrPs”

<ul style="list-style-type: none"> • Some pay and language improvements for FIs and PrPs 	<ul style="list-style-type: none"> • This is solving a company problem that further reduces our leverage • Significantly worsens FIs ability to monthly bid, giving more say to company in building schedules • Company cannot reliably train enough pilots because of inadequate pay and rules for FIs and PrPs • This is a problem the company could attempt to fix at any time by coming to ACPA with a unilateral improvement
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	<ul style="list-style-type: none"> • Allows withheld flying not used for IOE/OE/QOE to go to Fls/PrPs before open time
<p><i>“Scheduling flexibility to allow for the greatest number of pilots to be trained”</i></p>	
<ul style="list-style-type: none"> • Tentative Displacement language increased from 3hr15 to 24hr • Allows pilots who are tentatively displaced for training/checking that require recency SIM to do so on a day off (w/ premium) or displace from another pairing • Red-Eye Credit is now specifically defined as per existing A18 language 	<ul style="list-style-type: none"> • We already have arguably the most “flexible” contract in favour of the company of any legacy carrier • We should be going the opposite direction: providing more flexibility for our pilots, not the company • Watering down Tentative Displacement language is a significant concession - this represents a big potential hit to quality of life and also a pay loss compared to existing tentative displacement language - which is both potentially lucrative and awards paid days off to pilots who are displaced • Increasing the Tentative Displacement threshold to 24hrs is a gain, however when the new language allows the company to sidestep the displacement and move you to a different seat, it represents significantly less value • Red-Eye language clarification should have come with the original Red-Eye credit language. Instead, we are now having to clarify it at the cost of concessions • Red-Eye language is now officially limited by time zones, so some red-eyes like MEX-YYZ won’t qualify for the credit guarantee • Yearly DBM increase on widebody fleets to 1020hrs is a significant give. We already fly some of the highest DBMs of any legacy carrier. This becomes even more problematic in months where a person takes vacation as our vacation credit will result in even less time off in high DBM months • The Yearly DBM increase means the threshold for premium pay is increased from 996hrs to 1020hrs - this means pilots that want to earn more may make less for the same amount of work

- ACPA's constitutional goal is to negotiate “improvements “ to hours of work. Working more hours is not an improvement
- The yearly DBM increase directly contravenes [FSD policy](#) on quarterly and yearly hours
- The yearly DBM increase directly contravenes IFALPA policy
- The yearly DBM increase will reduce WB crewing requirements by about 65 pilots - this number increases as the pilot list grows
- No snap back provision on extra hours if we have pilots laid off.
- No Consultation with FSD/FSAG on fatigue effect of further increased DBMs
- Significant change to [27.08.03](#) “*Flying may ~~will~~ be assigned as part of a first pass in PBS and for a minimum number of legs as per the FOM and as duplicated in the tables below and those pairings will no longer be available for awarding. All flying awarded to IOETCs may be withheld as part of the IOE assignment process. This process may Overlap 3 2 Block Periods.*”
- 27.08.04 removes already limited power from the PBS Committee which is in contradiction to the strategy of our legacy peers who strive to give their PBS Committees more power and oversight within their Collective Agreements
- 27.08.06 Withheld flying not used for IOE no longer makes it to open time
- 28.04 Allows PrPs/FIs access to flying at a higher level in the award process. Subverts seniority/removes access to quality flying
- Removes a pilot's ability to reject being displaced for currency or training
- Gives the company power in certain scenarios to decide who sits in operating seat; Further subverts seniority rights

“Allowing a mobility agreement for Jazz pilots”

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| <ul style="list-style-type: none">• New hire pilots who come from Jazz will have up to 15 months of LOA with YOS and Seniority (allows pilots not yet on property to skip majority of fixed rate)• Agreement is temporary - ends Sept 2025• Temporarily provides reliable pathway to Mainline for Jazz pilots | <ul style="list-style-type: none">• This is a concession for ACPA pilots - it solves the mainline crewing crisis for little to no value• Awards Years Of Service for Pay (YOS) to Jazz Pilots who have not yet set foot on property; Meanwhile, our 600 pilots who were furloughed still receive zero YOS credit• Degrades unity with Jazz Pilots by actively removing their leverage in attaining WAWCON gains on the back of crewing crisis - contrary to broad goal of pilot unity in Canada• Puts downward pressure on regional wages by helping staff regionals, fundamentally bad for the pilot profession as a whole. Accelerates “race to the bottom”• May hurt Jazz pilots financially if deferrals are mandatory. FOs make 40-50k at Jazz and may bid it for lifestyle, while waiting for a call from AC. Now they will be forced to take an LOA on sub-par pay• JAZ MEC was not consulted in the creation of this deal - has the potential to reopen Common Employer can of worms |
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Overview

- There is **No Risk** to voting NO: CMSC Vacancies exceed 900. Even a 50% reduction in this (highly improbable) leaves us under-crewed by at least 1 years worth of pilot hiring;
- There is **No Risk** of Arbitration - this is an MOA outside of our bargaining cycle - if it is voted down, status quo continues. There is no forced arbitration or mediation. Due to the ongoing training and crewing issues, there is a high probability that the company will return to the table with more value if this MOA is voted down;
- This is arguably the most valuable leverage opportunity ACPA Pilots have had in the last 10 years - the value (or lack thereof) in this MOA does not capitalize on this leverage;
- It’s difficult to see a scenario where the Board of Directors allows for the reduction in flying for 2023 due to a failed agreement with the pilots. The Board has a duty to the shareholders to create value and significant schedule reductions would likely be contrary to this;

- In the last [Quarterly Investor Call](#), the CEO, stated the following when asked about pilot retention and hiring

“... No, we're not seeing any attrition of our pilot base to (the) U.S. or any other country. We still are an unbelievably attractive employer for pilots. And so we do not face the challenges some of the U.S. carriers or other carriers around the world (are) facing.”

This public position further supports the theory that there is little chance of the company reducing its summer 2023 schedule as a result of a failed ratification;

- From the standpoint of pilot solidarity for our pilot profession within Canada, this deal is fundamentally flawed. With zero consideration for downward pressure on regional wages and the greater effects on the pilot profession, this MOA misses the mark;
- The company can come to ACPA at any time offering unilateral improvements to solve training and crewing issues - [not unlike American Airlines did in 2017](#)
- This deal is being presented by a MEC that is composed of two members who were delivered a significant vote of no confidence through the recall process earlier this year. Despite this, they are making decisions on behalf of a membership that has broadly removed its support for them;
- Two seats on the MEC will change hands **this January**, and potentially a third. It is irresponsible for the MEC to be considering a permanent and arguably concessionary MOA in an election period where change in representation has already been confirmed going into the new year;
- There has been no real costing provided, and it is unclear that advanced costing was ever considered;
- Burning Platform: ACPA referring to “Company’s narrow timeframe” means the company wants a deal immediately - bargaining under duress;
- ACPA’s continued attempts to “sell” the membership on this agreement are disingenuous and speak to the disconnect between our union leadership and the broad wishes of our pilot group. Graphs which are specifically designed to skew data, heartfelt videos which sidestep key issues and vague language that fails to tell the whole story do not represent sound strategy in engaging with our pilot group. Pilots should never have to be “sold” on an agreement; they should be presented with the facts so as to cast an informed vote;
- ACPA Claims this MOA “...raises the floor for future bargaining at ACPA - in 2023 and beyond.” Aside from relatively minor pay increases for select groups of pilots, we disagree with this statement. Many of the permanent concessions in this MOA significantly lower the bar going into 2023 - Scope, Training and Cargo language being the low-lights;
- ACPA Claims “Any items sought will be added to the list for both sides to be discussed in full bargaining in 2023 or beyond.” This specifically leaves out the possibility that the company will come back with more value if the vote fails.

In closing, we want to remind our fellow pilots that this is **your union** and your engagement is key. Please make an effort to inform yourself and your colleagues. Then we can collectively make an informed decision about this MOA. Voting is open <https://acpilots.simplyvoting.com/>