IAMAW Submission to the Standing Senate Committee on Transport and Communications on Bill C-49, an Act to amend the Canada Transportation Act and other Acts respecting transportation and to make related and consequential amendments to other Acts (short title: Transportation Modernization Act)

March 2018
Who we are

The International Association of Machinists and Aerospace Workers (IAMAW) is the largest union in the air transport sector in Canada and in North America. The IAMAW represents over 40,000 members across Canada. Over 22,000 IAMAW members work in the aviation, air transportation and aerospace sectors, which are federally regulated.

In the air transportation industry, we represent thousands of employees working for different airlines, including Air Canada. In the airport service industry, the IAMAW represents the majority of the pre-board screening officers in Canada providing safety and security screening to the travelling public on behalf of the Canadian Air Transport Security Authority (CATSA) and Transport Canada as well as many security services within and along the perimeter of airports. The IAMAW also represents many workers in the aerospace sector in commercial and military aircraft companies and suppliers, including Bombardier.

We welcome the opportunity to submit our position to the Standing Senate Committee on Transport and Communications on Bill C-49 regarding issues related to air transportation.

Introduction

We were highly critical of the recommendations expressed by the Canada Transportation Act Review Report (CTA), also known as the “Emerson Report”. The government established Transportation 2030 in response to the report. According to the Minister of Transport, Bill C-49 is “a first legislative step to deliver on early transportation 2030 measures”. The IAMAW does not accept the Transportation 2030 vision, despite many of its principles. Sadly, this bill follows many of the recommendations of the “Emerson Report” regarding foreign ownership limits of Canadian airlines; it fails to address the pressing issue of travellers’ time spent at pre-board screening due to the lack of a proper and sustainable funding model for the Canadian Air Transport Security Authority (CATSA).

The new Regime on foreign Ownership Limits of Canadian Airlines

The IAMAW believes that the current ownership limits ought to remain in place. Reducing the 75% threshold to 51% will be damaging to the airline sector and the airline workers in the long term. Despite some of the safeguards put in place in the bill, we believe that enabling foreign investments is not the answer to the lack of competitiveness in the Canadian airline sector and bringing down costs of air travel. Those are a consequence of a laundry list of fees and taxes imposed on all Canadian carriers, coupled with low population numbers flying to and within the country, as pointed out by carriers such as Air Canada and WestJet. As an example, one of those fees is the landing and parking fee charged to airlines – a fee often passed down to air travellers. Flights landing in Canada pay some of the highest fees in the world, according to a 2014 report from the Institute for Governance of Private and Public Organizations.

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2 Institute for governance of private and public organizations, The Governance of Canadian Airports, 2014.
Competition within Canada is very limited because of our low and sparse population base. As a result, it is very hard to get high passengers numbers and we will always be negatively impacted in this country unless we can reduce the operating costs imposed by our government structure.

**Lack of a proper and sustainable Funding Model for CATSA not addressed in Bill C-49**

Changes to the *Canadian Air Transport Security Authority Act* (clauses 68 and 69) will not address the systemic problem of underfunding for CATSA.

The 2018 federal budget addresses this issue by only increasing funding for two airports.

"**Protecting Air Travellers**

To ensure consistent and effective security screening of travellers and workers, the Government proposes to provide $236.4 million in 2018–19, with $2.4 million in remaining amortization, to the Canadian Air Transport Security Authority (CATSA). This funding will also allow CATSA to add new lanes for U.S. Pre-clearance of passengers at the Billy Bishop Toronto City Airport and the Quebec City Jean Lesage International Airport.”

This budgetary measure is far from sufficient to address the issues of travellers’ wait time in airports and pre-board screening officer fatigue.

We recognize that passengers should be able to access pre-board screening in a timely and efficient manner. IAM members experience on a daily basis complaints from air travellers going through screening. In order to achieve that goal, the exclusive allocation of the Air Travellers Security Charge (ATSC) is required to achieve a proper and sustainable funding model.

Passenger traffic growth is observed on a yearly basis. Consequently, ATSC monies collected will increase year over year so that funding is available for CATSA.

We strongly encourage the government to provide CATSA with the proper funding in order for the crown corporation to establish *CATSA plus*, a combination of equipment, workforce and technology thus shortening wait times at screening.

Another impact of underfunding is the fatigue phenomenon experienced by pre-board screening officers; when dealing with long lineups, this has significant impacts on their work performance. Consequently, the risk of potential mistakes is increased which could jeopardize what is supposed to a safe passenger screening process.

**Summary of the IAMAW Recommendations:**

A- **Foreign Ownership limits**

1. Leave current ownership language in place
2. Reduce operating costs and fees imposed by government agencies

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B- CATSA Funding Model
   1- Increase allocation of the ATSC monies collected to CATSA