



November 14, 2018

The Flair Wage Model: A Race to the Bottom

Dear CUPE 4060 members,

This morning the company sent you a Q & A document to explain Flair's position on the two-tier wage offer. While acknowledging certain facts about the current bargaining impasse (i.e. that CUPE is, in fact, your bargaining agent, and that Flair bears responsibility for miscommunication about a non-existent lockout), their Q & A nonetheless includes more misleading information while failing to mention certain other facts. All this to support its continuing insistence, not supported by facts, that the company cannot grow and prosper without cutting wages.

Here are some of Flair's most frequently cited claims:

1. Two-tier wage agreements are common in Canadian airlines.

Not true. Of the examples given by the company, none except Jazz is truly two-tier. CUPE does not represent workers at Jazz, who have no strike fund and therefore no real power to bargain with the employer. Its Air Canada Rouge example is false as well, since Rouge and Air Canada mainline are two separate airlines. So this is NOT a two-tier agreement with employees in the same bargaining unit making different wages but two different agreements. While Rouge wages are lower than mainline, CUPE has bargained many improvements to the Rouge agreement including:

- Better work rules than many low-cost carriers enjoy;
- The opportunity to "flow through" to mainline (or vice versa) depending on personal preference. Rouge members who want to earn higher wages can go to mainline, while mainline workers who want alternate routes or other advantages may opt to go to Rouge; and
- Protection against arbitrary grooming and uniform standards. Flight attendants felt the original Rouge uniform and grooming standards were uncomfortable, sexist and demeaning. Through collective bargaining, they were able to receive new uniforms that made them feel more respected by flight crew and passengers.



2. *It's hard very hard.... to attract investors at the current wages.*

The Canada Transportation Act was recently amended to make it easier, not harder, for foreign investors to buy shares in Canadian airlines. The new law doubled the amount of allowable foreign ownership from 25 to 49 per cent, permitting far more foreign investment than ever before.

3. *The three big costs are fuel, equipment and wages. Something's gotta give.*

It is true that wages are a fixed cost, while fuel prices go up and down. But if fuel or other prices go down, will Flair increase flight attendant wages? We don't think so. How about you?

4. *Flair's situation is similar to that of Air Transat and Sunwing.*

Air Transat and Sunwing are not ultra low-cost carriers. They are vacation charters that remain profitable by combining a range of assets, such as hotels, tour operators, etc. In fact, there is only one other ultra low-cost carrier in Canada: WestJet Swoop, which we are working hard to bring into the CUPE family. Ultra low-cost carriers save money in ways that other airlines cannot: lower fees to land in regional airports; a single fleet of aircraft which reduces maintenance and overhaul costs; and reduced on-board service. The profit does not have to come out of flight attendant wages.

The simple fact is that Flair is appealing to your self-interest with a two-tier offer. Yes, it is true that you could retain your wages and pension with two-tier. But the vast majority of Flair flight attendants to be hired will work for far lower wages, have no pension, and unfair work rules. They are counting on the high wage earners to leave the company for another airline and create a low-wage workforce. This is the essence of a race to the bottom.

Can you truly imagine working alongside colleagues who are doing the exact same job – but earning much less than you? Flight attendants and other aviation workers have fought hard against such injustice for decades. Flair knows this, and that is why the company is so determined to create a low-wage workforce before it expands.

As a unionized flight attendant, you are standing on the shoulders of those who fought for themselves—but also for you.